

SENATE

FRIDAY, JUNE 17, 1932

(Legislative day of Wednesday, June 15, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kendrick	Schall
Austin	Davis	Keyes	Sheppard
Bankhead	Dill	Kling	Shipstead
Barbour	Fletcher	La Follette	Shortridge
Barkley	Frazier	Lewis	Smoot
Black	George	Logan	Steiner
Blaine	Glass	McGill	Thomas, Idaho
Borah	Glenn	McNary	Thomas, Okla.
Bratton	Gore	Metcalf	Trammell
Brookhart	Hale	Moses	Tydings
Broussard	Harrison	Neely	Vandenberg
Bulky	Hatfield	Norris	Walsh, Mass.
Capper	Hawes	Nye	Walsh, Mont.
Caraway	Hayden	Odell	Watson
Cohen	Hebert	Patterson	Wheeler
Connally	Howell	Pittman	White
Coolidge	Johnson	Reed	
Copeland	Jones	Robinson, Ark.	
Costigan	Kean	Robinson, Ind.	

Mr. McNARY. I desire to announce that the following-named Senators are detained in a meeting of the Committee on Banking and Currency: The Senator from South Dakota [Mr. NORBECK], the Senator from Delaware [Mr. TOWNSEND], the Senator from Connecticut [Mr. WALCOTT], the Senator from Michigan [Mr. COUZENS], the Senator from Wyoming [Mr. CAREY], and the Senator from Maryland [Mr. GOLDSBOROUGH].

Mr. SHEPPARD. I desire to announce that the Senators from Tennessee [Mr. McKELLAR and Mr. HULL] and the Senator from South Dakota [Mr. BULOW] are detained on business of the Senate attending the funeral of the late Representative Eslick.

I also desire to announce that the Senator from Virginia [Mr. SWANSON], the Senator from Louisiana [Mr. LONG], and the Senators from North Carolina [Mr. MORRISON and Mr. BAILEY] are necessarily out of the city.

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present. The bill H. R. 7726 is on its second reading and open to amendment.

ADJUSTED-SERVICE CERTIFICATES

The Senate proceeded to consider the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, passed by the House of Representatives on the 15th instant, as follows:

Be it enacted, etc., That Title V of the World War adjusted compensation act, as amended, is amended by adding at the end thereof three new sections to read as follows:

"PAYMENT OF CERTIFICATES BEFORE MATURITY

"SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section, the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

"(d) Upon payment under this section, the certificate and all rights thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate, (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(f) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made, but before the negotiation of the check in payment, payment shall be made to the estate of the veteran irrespective of any beneficiary designation, if the application is filed (1) before the death occurs, or (2) after the death occurs, but before the mailing of the check in payment to the beneficiary under section 501.

"(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application can not be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If at the time this section takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509 shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence."

SEC. 2. Payment of the face value of the adjusted-service certificates under section 509 or 510 of the World War adjusted compensation act, as amended, shall be paid in Treasury notes.

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the payments herein authorized. Such notes shall be legal tender for public and private debts and printed in the same size, of the same denominations, and of the same form as Treasury notes, omitting the reference to any Federal reserve bank.

He shall place such notes in the Federal reserve banks, subject to the order of the Administrator of Veterans' Affairs, to be used for the purposes of this act.

He shall issue a like amount of United States bonds bearing 3½ per cent interest, payable semiannually, with coupons attached, and such bonds shall be due and payable in 20 years from the date of issue, subject to the right of redemption after 10 years.

These bonds shall be deposited in the Federal reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of the passage of this act, and the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portions of said bonds as it may from time to time desire.

Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued, and they shall be returned to the Secretary of the Treasury for cancellation.

SEC. 3. This act may be cited as the "Emergency adjusted compensation act, 1932."

The bill was reported adversely yesterday from the Committee on Finance by Mr. SMOOT, who submitted the following report:

[Senate Report No. 834, Seventy-second Congress, first session]

PAYMENT OF ADJUSTED-COMPENSATION CERTIFICATES

Mr. SMOOT, from the Committee on Finance, submitted the following report (to accompany H. R. 7726):

The Committee on Finance, to whom was referred the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, having considered the same, report adversely thereon with the recommendation that the bill do not pass.

STATEMENT

The proposal embodied in this bill is that immediate payment be made to any veteran to whom an adjusted-service certificate has been issued of the amount of the face value of the certificate. This bill would necessitate an expenditure of \$2,400,000,000. To effect the payment the Secretary of the Treasury is directed to issue United States currency notes, such notes to be legal tender for public and private debts. At the time of placing such notes in Federal reserve banks subject to the order of the Administrator of Veterans' Affairs to be used for the purposes of the act, the Secretary of the Treasury is directed to issue a like amount of United States bonds bearing 3½ per cent interest payable in 20

years. Such bonds are to be sold from time to time by direction of the Federal Reserve Board and the currency received therefor is to be used for the retirement of notes to be issued under the act.

The aggregate face amount of the outstanding adjusted-service certificates is about \$3,515,000,000. This amount is, for the most part, however, not due until 1945, and the certificates have an aggregate present value of about \$1,880,000,000 discounted on the basis of 4 per cent per annum. For the Government to pay now a sum which is not due until 1945 would in effect increase the amount of the original grant made by the Congress to the veterans by the difference between the face value of the certificates and their present value, or by about \$1,635,000,000. It is of the essence of the plan of the adjusted-service certificates that they mature and be paid at the expiration of 20 years from the date of issue, or upon death should that occur earlier. Any acceleration of the time for payment has the same effect as increasing the amount of the original bonus grant.

Under the plan for the adjusted-service certificates as adopted in 1924, the face or maturity value of the certificates was fixed as follows:

For each veteran there was determined a basic amount equivalent to \$1.25 per day for each day of service overseas and \$1 per day for each day of service in this country in excess of the first 60 days. This amount was then increased by 25 per cent because of deferred payment. The total so arrived at was used as a net single premium to fix the amount of the adjusted-service certificate, maturing in 20 years, on the basis of the American experi-

ence table of mortality, with interest at 4 per cent compounded annually. The adjusted-service certificate is essentially a 20-year endowment insurance policy. The aggregate amount called for by the certificates at maturity was to be met by the Government through setting aside each year in the adjusted-service certificate fund amounts which, invested at 4 per cent, would equal the face value of the certificates at maturity.

Most generous provisions have been made by our Government for the care of dependents of those who gave their lives to their country and for the care of the wounded, disabled, and ill veterans and their dependents. On this point the adverse report on this bill from the Committee on Ways and Means of the House stated:

"The Government of the United States has already paid on account of veterans of the World War up to date \$6,000,000,000, and according to the testimony of General Hines, if we continue at our present rate, with no authorizations increasing our present commitments, by 1945 we will probably expend for World War veterans \$21,500,000,000 which will about equal the cost of our participation in the World War.

"We have spent for veterans of all other wars previous to the World War up to date in all the history of the country only \$8,000,000,000.

"It can, therefore, not be seriously contended that the Government has not been liberal with veterans of the World War. On their account we are practically now in our commitments financing another war as expensive as was our participation in the World War."

Veterans' Administration disbursements as of April 30, 1932

	To June 30, 1931			Veterans' Administration	
	National homes	Bureau of Pensions	Veterans' Bureau	During April ¹	Fiscal year 1932
Veterans' Administration homes	\$250,312,883.84				
Army and Navy pensions		\$8,169,801,911.88	\$234,176,282.66	\$19,751,215.15	\$194,956,501.17
Maintenance and expenses for pensions		151,212,728.16	1,744,732.30		
Military and naval compensation			1,891,950,451.08	26,868,450.49	262,515,606.64
Military and naval insurance (term)			1,374,004,790.35	11,630,528.89	105,690,148.14
Government life insurance ²			143,675,359.21	2,408,740.64	23,183,213.45
Medical, hospital, and domiciliary services			420,011,705.25	78,280.06	17,640,051.65
State and Territorial homes					599,865.32
Administrative ³			425,408,361.08	8,863,378.16	79,344,523.65
Hospital and domiciliary facilities and services, Veterans' Administration			52,328,514.27	1,041,335.20	10,257,895.52
Adjusted-service-certificate fund ⁴			110,735,825.17	2,334,886.30	19,075,493.10
Adjusted-service and dependent pay			40,823,757.04	523,913.63	2,429,451.35
Vocational training			644,960,808.83		17,090.11
Allotments and allowances			582,926,255.95	2,240.34	8,679.06
Marine and seamen's insurance			85,077,918.69		
Miscellaneous			293,212.54	20.00	3,949.47
Total	250,312,883.84	8,321,014,640.04	5,958,123,974.42	73,502,988.89	705,688,278.41

¹ Gross figures used for April. Adjustment will be made on subsequent report.

² Does not include investments and loans.

³ Disbursements out of appropriations for previous years; for the fiscal year 1932 included in "Administrative."

⁴ Administrative includes medical and hospital services, 1932, salaries and expenses, etc.

⁵ Represents payments on certificates matured by death of veterans. Also includes \$185,017.45 to June 30, 1931, and \$3,420,315.12 for fiscal year 1932, deducted from payment of matured certificates on account of loans previously made from adjusted-service-certificate fund (plus accrued interest from date of loans to death of veteran).

⁶ Includes \$9,313.29 revolving fund, loans outstanding June 30, 1931.

⁷ Credit.

NOTE.—Amount disbursed from insurance premiums and allotments, \$956,362,612.48.

Civil-service retirement and disability fund

	To June 30, 1931	During April	Fiscal year 1932
Annuities and refunds	\$131,809,483.19	\$2,352,632.84	\$22,908,784.82

The Government is now expending for the benefit of all veterans about \$1,000,000,000 a year. This amounts to nearly one-fourth of the total expenditures of the Government.

It is not contended by proponents of this measure that under present conditions the Government could or should provide funds from its revenues or from borrowings in the usual course to pay the \$2,400,000,000 which would be required for the payment of the certificates. The deficit of the Government for the fiscal year 1932 will amount to more than \$2,800,000,000 without regard to the provisions of this bill. Up to May 31 the gross public debt had increased to over \$18,600,000,000, an amount more than \$2,000,000,000 in excess of the public debt outstanding a year earlier. Included in the amount of the Government debt outstanding is nearly \$4,000,000,000 of obligations maturing within a year.

To maintain the finances of the Government upon an unassailable basis Congress has recently enacted a revenue measure drastically increasing rates of taxation and imposing many new levies. Congress is now engaged in working out the economy legislation based upon the necessity of effecting all practical reductions in Government expenditures.

The proposal in the bill is that the Government should make the payment to the veterans in the form of United States Treasury notes to be created simply by the operation of the printing press. These notes would have no gold cover. It is proposed that concurrently with the issue of the notes there should be placed in the Federal reserve banks 3½ per cent 20-year Government bonds to be sold at the discretion of the Federal Reserve Board with a view

to obtaining currency which could be used for ultimate retirement of the legal-tender notes.

The existence of United States bonds in the hands of the Federal reserve banks does not change the status of the notes. Such bonds would merely represent a different form of obligation of the Government to pay, not in itself adding anything to the obligation expressed by the currency notes themselves. These bonds would represent the mere possibility that at some future date the Government might sell its obligation and secure funds for the retirement of the legal-tender notes. That possibility would be present regardless of whether the bond issue was provided for in advance. The existence of an anticipatory supply of bonds to be marketed by the Federal reserve banks at their discretion would seriously complicate normal Government finances.

It is asserted by proponents of this measure that the Government has at its disposal gold stock amply sufficient to warrant the issue of these notes. The total stock of monetary gold in the country on May 31, 1932, was \$4,149,000,000. Of this amount, however, the total amount of free gold in the Treasury not specifically allocated was but \$20,000,000. The balance of the gold stock was partly in circulation, but was largely held either by the Government for the Federal reserve system or by the reserve system itself for definite commitments. The following table sets forth the form and distribution of the gold stock:

Monetary stock of gold, May 31, 1932

[Millions of dollars]

Held in the Treasury:	
Against gold certificates—	
Held by Federal reserve banks	671
In circulation	735
Reserve against United States notes and Treasury notes of 1890	156
Held for Federal reserve banks and agents	1,566

In the general fund of the Treasury:

Allocated against specific gold liabilities of the Treasury	54
Free gold, not specifically allocated	20
Gold coin and bullion held by Federal reserve banks	512
Gold coin in circulation	435
Total	4,149

The amount of the free gold of the Federal reserve system itself as of the 31st day of May included in the above total was approximately \$1,140,000,000. This amount of the free gold of the Federal reserve system, representing the capacity of the system to stand withdrawals of gold and to meet increased demands for currency and increase in member-bank reserve balances, does not belong to the Treasury and is not, therefore, available to the Treasury to be placed behind Treasury obligations.

The effect of issuing large volumes of legal-tender notes at this time would undoubtedly be to increase the drain upon gold. It would be the natural tendency of those who receive the legal-tender notes to replace them by established currency, particularly by gold. Under the act of March 14, 1900, the Treasury is required to maintain the parity of all forms of currency with the gold dollar. This means that regardless of its stock of gold the Government could be called upon to furnish gold in exchange for the entire amount of the legal-tender notes.

The effect of the tendency to require gold in place of the legal-tender notes would naturally be to send gold to a premium as compared with other forms of currency to cause or accelerate gold hoarding and to stimulate a flight from the dollar. During the recent months there has been a loss in the country's gold stock, through the exportation of gold, in excess of \$500,000,000. It is believed that foreign balances in this country have been reduced to such point that further exportation is not probable, but any strain upon confidence in the dollar, any tendency to increase the demand for gold in this country would be likely, however, to increase the pressure upon the export of gold and to cause resumption and even acceleration in the gold drain.

The effect of the resort by this Government to legal-tender notes upon its financial affairs and also upon the business economy of the Nation would be disastrous. This is vividly shown by recent European experience. If it is once determined that funds to meet Government expenditures can be obtained by the mere issuance of Government currency notes, there will be an inevitable tendency to meet all Government obligations in that way. If this plan is good for the payment of the veterans, it is equally good for the payment of Government employees and other Government obligations. Resort to such a plan nullifies the will and effort to accomplish Government financing through normal and accredited methods.

The whole body of our people, and the veterans themselves, have far more to gain from the restoration of normal business conditions in this country through adherence to sound Government finance than from any experiment with the printing press as a means of Government finance.

There is no evidence that the veterans as a class are any more in need than other groups of our citizens. Rejection of this measure in no way indicates indifference to existing needs of the veterans and of other citizens. It indicates determination to adhere in the conduct of our Government to those principles which have contributed to the development and strength of our country, and which are essential to the achievement of recovery, through which our whole people, including the veterans, will benefit.

A suggested amendment submitted to the committee by Senator THOMAS does not seem to us to meet the vital objections to the bill. Under this amendment it would be provided that payments of the face value of certificates would be made only in cases where the applicant shall state that he is in need of the funds. The fact that the applicant has already secured a loan on his certificate would be taken as prima facie evidence of the need. The effect of this amendment would be merely to require an additional statement by the applicant. Indeed, that statement could be made a mere matter of form by any applicant who would first obtain a loan upon his certificate to which he is entitled as a matter of right. It seems probable that such a requirement would not to any material degree reduce the amount of the payment called for. The amendment in no way removes the dangerous features of the bill which are above set forth.

The amendment proposed by Senator CONNALLY would confine any payments which might be made to veterans at this time to the cash value of the adjusted-service certificates, this to be calculated on the basis of the amount of the original adjusted-service credit to the veteran, increased by 25 per cent, with interest at 4 per cent compounded annually added thereto, making no reduction for the cost of the insurance benefits previously enjoyed under the certificate. The amount of the net payment which would be called for under this plan is estimated at approximately \$1,300,000,000. The amendment contemplates that the amount required for the payment should be met by the Government in the ordinary way and not through the issue of legal-tender notes. It is the belief of the committee that the condition of the Treasury at this time and the urgent necessity of applying to the Budget all available tax revenues and of terminating borrowing preclude favorable consideration of this amendment.

Mr. BROOKHART. Mr. President, on the 22d day of May, 1929, I introduced the first bill in the Senate and in the Congress for the cash payment of the soldiers' bonus.

That bill was numbered S. 1222. Some time afterwards Congressman PATMAN, of Texas, came to me and asked to introduce the bill in the House. I was glad to have his cooperation. With some modification he did introduce the bill and has made a gallant fight for its passage and has finally succeeded in having it passed through the House by a substantial majority. It is now before the Senate for consideration upon its merits.

Mr. President, there is a philosophy surrounding the economic rights of the soldiers which I think has been disregarded throughout the history of our country. In the old days, when we had no national income to tax, there was perhaps some excuse for taking the soldier upon his patriotism alone and without any just economic compensation. But even the soldiers of the Revolutionary War, after the war was over, had to appear before Congress in a walking, living petition, as the soldiers are now appearing before the Senate to-day. Congress even moved its place of sitting from Philadelphia over to Princeton to avoid the soldiers, but they followed and they finally got what they asked.

So, Mr. President, the bonus army, or the Bonus Expeditionary Force, or whatever it may be called, has a precedent in early history for the course it is taking now. Besides that these men had just as well be camped here in Washington as anywhere. They have no jobs at home; they have nothing to eat at home. I see no reason why 100,000 or 200,000 or 500,000 of them should not assemble in the Capital if they so choose.

These men have assembled here as orderly American citizens. They are asking simply for what they deem and what I deem to be their just rights. I think there is not a soldier in the whole army but would rather be given a job than a direct payment of the bonus. If they had jobs, if they had work, they could earn a living and they would be glad to do it and to dispense with payment of the bonus for the present moment. But, Mr. President, the philosophy which has said that the soldier must serve on patriotism and without pay has also said throughout the history of our country that we should turn capital loose to profiteer by millions and hundreds of millions and in the late war by billions of dollars out of the blood money of the war. It is the carrying through of that philosophy to its logical conclusion which has finally turned these men out of their jobs to protect the excessive and ill-gotten earnings of big capital in our country.

Therefore, Mr. President, it was in contradiction of that philosophy that I first introduced this bill into the Congress, and I have said and now repeat that just so long as our country permits millions and billions to be made out of the blood money of war, I shall vote for every pension and every bonus and every form of compensation for the soldiers of the Army for which I have an opportunity to vote; and after all these things shall have been done the soldiers will still not be rewarded anything like in comparison to the rewards that have been taken by capital in war profits in the various wars of our country, and particularly in the World War.

Mr. President, the original bill as I offered it provided for an issue of Treasury bonds to be known as adjusted-compensation bonds. The bill as it is now before us provides for an issuance of bonds and Treasury notes. It would please me better, Mr. President, if the bond feature were entirely removed from the bill, and this bonus or adjusted-compensation were to be paid solely by the issuance of Treasury notes. There are several reasons why I make that statement. The economic policy of giving to capital the net earnings of our country and disregarding men has at last plunged us into this great depression. Our national income in 1929, in the year of boom and prosperity, was about \$90,000,000,000. That would be about \$3,750 for each average family. In 1930 our national income was about \$70,000,000,000, and in 1931, even in that year of deep depression, the national income of our country was over \$60,000,000,000. Sixty billion dollars means \$2,500 for each average family in the United States. That, Mr. President, is enough of a national income, had it been distributed, to have prevented a depression in our country and to have obviated the necessity of soldiers looking for jobs. But how was it distributed?

The same policy that gave capital enormous war profits and gave soldiers a dollar a day has resulted in the discharge of workmen in this time of peace and in the hoarding of capital in the coffers of the big economic combinations. I will be more specific.

The American Telephone & Telegraph Co. for last year had the biggest earnings in all its history, but it discharged thousands of its men. Two or three weeks ago the president of Maryland University, formerly president of the agricultural college of my own State, asked me to go to a vesper service at the University of Maryland, stating that Rabbi Israel, of Baltimore, would speak upon economic questions. He said Rabbi Israel was worth hearing. I went. He was worth hearing. Rabbi Israel told this, among other things: He said that the Consolidated Gas Co., of Baltimore, last year set aside a million dollars for depreciation of its property over and above actual depreciation, and it set aside another million dollars for surplus; that it paid a 14 per cent dividend upon its capital stock, and then discharged a thousand of its men. One of the men who had been an employee of that company for 18 long years at a barely living wage within two months after his discharge was unable to pay his gas bill and the company shut off the gas. That, Mr. President, is the attitude of big business toward these demands.

I also regret to state that it seems to be the attitude of many Members of the Senate, and it seems to be somewhat the attitude of the great Republican Party itself. In the convention recently held by that party there was no resolution adopted mentioning the bonus proposition at all, but I read this:

The people themselves, by their own courage, their own patient and resolute effort in the readjustments of their own affairs, can and will work out the cure. It is our task as a party, by leadership and a wise determination of policy, to assist that recovery.

I think, Mr. President, this is the first time the great Republican Party has entirely thrown up its hands; that this is the first time it has officially admitted in its platform that it can not cure the depression, and has thrown back upon the people themselves the task of working it out by the arrangement of their own private affairs. That, Mr. President, is certainly a deplorable situation for a great party now in power in the United States. And how are the people to work this problem out for themselves? Tell me what these soldiers assembled here in Washington can do to solve this problem for themselves. Where else can they go to find employment? What can they do that will relieve this situation and restore prosperity?

Mr. President, I think we were put into this condition largely by acts of the Government of the United States. At the close of the war the Government itself collected a tax of some \$11,000,000,000 on profits and loaned that amount to foreign countries, and that \$11,000,000,000 has now become a bonus to foreign peoples because most of it will not be repaid. We have already granted one moratorium, and it is evident that another and yet another will have to be granted. So our Government, Mr. President, has not hesitated to enter into the field of paying bonuses, even to foreign peoples.

I also remember that the Congress appropriated some \$24,000,000 out of the Treasury of the United States for the relief of the famine-stricken people of Russia, and I remember how the present President of the United States administered that fund for the relief of those starving people.

Then, in 1920, after the war was over, we passed a railroad law—the transportation act—to guarantee war-time profits to the railroads for six months after they were turned back into private ownership. The railroads padded their accounts enormously in order to make a deficit in that guaranty; they padded them nearly a billion and a half dollars, and that, of course, made a deficit; that would make a deficit in almost anything. Then we wrote checks on the Treasury of the United States for \$529,000,000 to pay that bonus to the railroads of the United States, and that on the basis of the war profits that had been guaranteed to them during the period of Government operation.

Furthermore, Mr. President, in addition to that, in that law we provided that the railroads might earn more than 6 per cent, if they would return half the amount above

6 per cent to the United States Treasury. Under that provision of the law—commonly called the recapture clause—the Treasury has earned \$361,000,000, but it has not been paid into the Treasury; it is still held by the railroads; it is still held as a further bonus to the railroads out of the United States Treasury; and already a bill has been reported by a committee of the House of Representatives to repeal that recapture clause and turn this \$361,000,000 further bonus over to the railroads.

Mr. President, are the railroads entitled to all this against the claims of the dollar-a-day soldiers of the United States? I have some recent information upon that subject which I desire to put into the Record. The railroads, and other big financial institutions for that matter, have their expert financial writers to write up financial and economic conditions as they want them published to the people of the United States. Those stories are written without any regard whatever to the truth; they are written having solely in mind the policy of the railroad or the big financial institution that employs the writer. When I told the Senate some little time ago of this circumstance the Senator from Ohio [Mr. Fess] rose and said that he knew an instance where one of these writers wrote a letter to his boss and stated, "This is written according to your policy, but I inclose another letter which tells you the truth about the situation," and that inclosed letter was vastly different from the policy of the big boss.

So, Mr. President, these financial institutions have their reporters who submit other reports different from those that are published in the newspapers, and those other reports are in the form of confidential letters. Occasionally I get hold of one of those letters. I have one here dated January 25, 1932. It is a review of economic conditions for big business in 1931, the second year of the depression. Now, note what it says:

The most challenging economic statistics of the depression are that, in spite of the fact that production volume and wage payments have gone down together to barely more than half the predepression volume, the grand total of interest and dividend payments—

Much stock was transferred into bonds and interest was paid and collected instead of dividends. Hence, the letter says:

The grand total of interest and dividend payments has been maintained higher than for any year prior to 1929.

That was in 1931, the second year of the depression. Then the writer says:

Even the dividend payments of the railroads this year have exceeded those for 1928 and for any previous year in railroad history.

Yet, Mr. President, these wise financial writers filled our papers with stories of the poverty of the railroads, demanded a 15 per cent rate advance last year, and secured a part of it, in the face of the fact that they had had greater dividends in 1931 than in any year of railroad history save 1929, and in spite of the further fact, which the evidence in that record shows, that they had collected a surplus of four and a half billion dollars in excessive rates charged to the people of the United States.

Mr. President, that is not all the bonus that the railroad law gave to the railroads, either. It gave them a valuation of \$18,900,000,000 in 1920 as the basis of levying rates upon the people of the United States; and at the identical moment that that value was fixed by law and by its administration, the market value of these railroads, as shown by the quotations of their stocks and bonds on the stock exchange where they listed them themselves and where they sold them to you or to anybody who would buy railroad stocks and bonds, was about \$11,750,000,000. So, Mr. President, another bonus of this vast sum of more than \$7,000,000,000 was decreed to the railroads by an act of the Congress of the United States.

Under the rules of valuation laid down at that time, that being the peak of high inflation and high values, that value was continued down to date, and all increased capital has been added to it. Now, however, we find in the Senate committee a report striking out of the appropriation for the

Interstate Commerce Commission \$2,000,000,000 for valuation expenses. That will enable the railroads to avoid bringing the valuation up to date and reducing it down to the present level of prices as against the high prices of 1920; and that will enable them to maintain this high value through this depression, unless it is overthrown by the Senate itself. It will also enable them to retain the \$361,000,000 of recapture bonus to which I have already alluded.

Mr. President, I am not to-day going to attempt to review all of the special privileges which the Congress has by law given to all of the various financial institutions of our country; but I might mention one or two more at least.

We enact tariff laws that enable protected industries to fix the price of their products at the factory and raise the American price level above the general world price level. It has been estimated that that bonus amounts to four or five billions of dollars; and these soldiers who drew that dollar a day pay during the war must pay their share of that bonus to the big industries of our country in order to maintain this price level. The soldiers, perhaps, do not object to paying their share of that tariff protection. If that provided jobs and furnished them employment, they would, perhaps, be glad to contribute their share. But as soon as depression comes along, as soon as times get bad, these same big institutions, 2 of which I have described in detail, and on 173 of which we have reports, discharge these men and cease to furnish them the jobs which the protective system intends that they should have.

So the Government of the United States has done much for everybody but the common people of the United States.

When this session of Congress convened, the first bill that appeared, bill No. 1, in the Senate of the United States, was for an appropriation of \$500,000,000 at once out of the Treasury, and a liability of \$1,500,000,000 more upon the Treasury of the United States in bonds—two thousand million dollars, almost as much as this bonus to the soldiers themselves—and what was to be done with this vast sum? It was to be loaned, first, to these railroads that had the biggest dividends last year of any year of their history except one. Then it was to be loaned to big banks and to insurance companies.

Mr. President, that bill had almost the unanimous support of the Senate. I think only three of us voted against it. Then, after we finally got a couple of hundred millions inserted in it for the relief of closed banks, which would send some little relief down to the depositors among the common people, even we let that bill pass without further opposition. That is a bonus in the way of loans to the big financial institutions of the country; and it is proposed, I believe, to increase that bonus by another billion and a half of dollars before this session closes. Yet here are 750,000 and perhaps 1,000,000 of the men who enlisted under the flag of their country, who went out and served at a dollar a day in payment, one-third of their earnings in private life, now turned out of jobs, now without any place to live or anything to eat, and the Congress of the United States is still hesitating about giving them immediate and adequate relief!

I want to congratulate the House of Representatives on its action in this matter. I hope the Senate will take like action; but the word that comes to me is all different. These secret polls that are reported say that there are from 56 to 60 votes against any bonus measure in the United States Senate, and it is destined to go down to defeat and not even go up to the President, because they want to protect him from a veto.

Mr. President, that is the exact situation. I therefore insist that the Government of the United States must be humanized. The Government of the United States can not continue as an institution to protect the earnings of capital. The Government of the United States can not continue as an institution that will neglect the very men who defend its life in case of need. Therefore, I hope the Senate will vote this bonus.

I should prefer, as I have said, that it be done by Treasury notes entirely. I want to discuss the merits of that proposition for a moment.

There has been a lot of talk about balancing the Budget. This theory of balancing the Budget has been a nightmare to everybody in the Congress since the session began. Why all of this uneasiness about balancing the Budget? In time of war we did not balance the Budget with taxation. We balanced it with bond issues in those times; and one of the greatest financial men of the world, Henry Ford, says we were a big bunch of fools for using bonds to balance the Budget then, that we ought to have balanced it then with legal-tender Treasury notes.

What is there to maintain those bonds? What is there to keep them up to par? Nothing but the taxing power of the United States Government. That is all that there is behind them. If they had been legal-tender Treasury notes, without interest, the same taxing power would have been behind them for their ultimate redemption that there was for their ultimate payment in the form of bonds; and it would not have required as much taxing power to back the Treasury notes as it did the bonds, because the Treasury notes would have carried no interest.

We are paying now to the bondholders of the country over \$600,000,000 in interest each year—an extra burden upon the taxing power of the country over and above those bonds.

Therefore I think it is perfectly sound that in time of war and in time of emergency we should balance the Budget with Treasury-note issues. There is no logical comparison with Civil War times or with any other times in the history of any other country, when the country itself is near dissolution and destruction. We issued and have now outstanding \$346,000,000, I believe, of these legal-tender Treasury notes that have come down to us from Civil War times; and they are good money, just as good as gold itself, to-day. This country now, with its \$60,000,000,000 of national income in a year of depression, with its \$90,000,000,000 of national income in a year of prosperity, could sustain \$5,000,000,000 or \$10,000,000,000 of Treasury notes easier than the Government so nearly destroyed by Civil War could sustain that \$346,000,000 at the end of the Civil War period.

No; there is money in it for the big financial crowd if it is bonds, and interest on bonds. If they can control these bonds, there are more war profits to be taken in peace time out of the Government of the United States; and the Liberty bonds we issued during the war and then sold to the soldiers—practically forcing them to buy their little share of bonds out of this \$1 a day of compensation—and sold to the common people over the country, were afterwards, by the most vicious manipulation in the history of the world, depreciated and forced down as low as 80 cents on the dollar. Then, after they were bid in at that low price, they were again manipulated and brought back to par, and billions of profits were taken out of the manipulation even of Government bonds themselves.

Mr. President, the common sense of the situation demands that this country look into this proposition from the foundation up. I do not believe, nor does anybody believe, in unlimited Treasury-note issues. There is a limit, of course, beyond which we can not go; but at the present time commodity prices are so low that the farmers of the country can not live on the prices they get, and yet here are our men by the millions starving because they have nothing to eat.

An issue of Treasury notes and the payment of this bonus would raise those commodity prices. I do not think the whole amount would raise them half enough; but that issue would do the farmers of the country more good than it would the soldiers themselves. On the other hand, if the payment of this bonus were made, it would create a great industrial demand throughout the United States. It would start many of the wheels of industry turning, and that would give to those who are now unemployed the jobs which they need so sorely and start us on a sound foundation for prosperity. Our \$2,000,000,000 of loans to railroads and to banks and to insurance companies has only postponed the evil day. How are those banks going to pay their notes when they come due, with hogs at \$2.55 a hundred and corn at 21 cents a bushel? They will not be able to do it, and

their indebtedness and their burdens will only be increased. If we pay these soldiers, if we start at the bottom of this thing, and put this money in where it will start industries and make orders in different lines of industry, we will then be beginning at the foundation of the depression and really doing something to remedy the situation.

If we raise these commodity prices at the same time by this issue of notes, we will start agriculture again toward the prosperity which has been absent since the deflation of 1920.

Therefore, Mr. President, I say to you that this bonus bill is not only in the interest of the soldiers themselves, it is in the interest of this agricultural part of our country, a third of all our people; it is in the interest of this seven or eight million who are unemployed in the United States; it is sound business policy, and therefore it would be indirectly in the interest of business itself. It is the only patriotic course this country can take under the flag which these men defended.

Mr. ROBINSON of Indiana. Mr. President, I favor this legislation. I favor it because I think it is fundamentally right. It is either right or wrong. If it is right to be thoroughly grateful to those who have defended the country in its time of peril, now that they are needy and ragged, and are asking for clothing and food from a grateful Government, then the bill should pass. If it is wrong for a nation to take care of those who have defended it in time of peril, to deal generously with them, and considerately, then the bill should fail.

I do not like the term "bonus" as connected with this measure. It is not a bonus; it is a debt due the men who served in the last war, a debt which has been acknowledged to be a debt by this Government itself. Therefore, there is no occasion, it seems to me, to continue to refer to this "bonus" bill as if the soldiers of America were seeking to hold up the Treasury of the United States for something that was not right, or something they expected in addition to that to which they are justly entitled.

Mr. President, war is a futile thing, and yet nations engage in it. War generally is supposed to settle questions; but war settles no questions, as a rule. The last war, for instance, which was a war to end all war, has left the world in far worse shape than it was at the outbreak of that great conflict. But nations will engage in war, and I assume that as long as human nature is as it is war will continue to be indulged in.

That being true, I want this country ever to be prepared to defend itself in any emergency that might arise, with an Army, Navy, and Marine Corps equal to any on the face of the globe, and with the country keeping abreast of the times in scientific development and invention all along the line.

First of all, however, and foremost, I am anxious that our children who come after us may understand definitely that this country is grateful to those who are willing to defend it with their lives.

I go farther, Mr. President; in my judgment a nation that will not deal considerately and generously and kindly with those who have borne the battle, those who have defended it in time of peril, does not deserve to be defended if trouble comes. I am anxious for my country to keep the faith with these lads who have defended it in the years gone by, so that the children coming on, when the country is imperiled again, as it will be imperiled again, may be thoroughly willing, even anxious, to go out in its defense.

If nations want war and must have war, Mr. President, they must pay for it, and they must pay dearly. The unfortunate thing about war is that those who make war do not pay. The last war, for instance, was made in this Chamber and in the House at the other end of the Capitol. Ninety-six men here and 435 men over there made the war. They made possible the fateful declaration, and what a terrible thing they did.

I do not criticize it; I do not censure either their action or their motive at that time. There was the best reason in the world, I suppose, for declaring war, although we had been led to believe we were not to be engaged in it, and a presidential campaign had been won on the slogan that the candidate of one of the great parties had kept us out of

war. Notwithstanding that fact, before that successful candidate was inaugurated in the Presidency the following March the 4th, in February of that same year, war had been urged by that same candidate, who was then the President and Chief Executive of the United States. So war was declared by 96 men here and 435 men at the other end of the Capitol, and those men, 531 all told, sent more than 4,000,000 American soldiers into the conflict.

Those soldiers paid. The 531 here did not pay, nor can they ever pay. It is the 4,000,000 they sent into battle who paid, and they will continue to pay, and pay, and pay, and pay, many of them so long as they live, and many thousands have already paid with their lives in answer to that fateful declaration.

Is there anyone here who can not be grateful to these lads? I saw them march away. They did not make the war. They were not responsible for the war. It was their duty to preserve this Nation, to give substance to this building in which we stand, to make possible the perpetuity of this Government of ours with their lives, if need be, and they were cheered as they went out to battle.

All along the route I saw them, in various cities through which they passed. I had the honor to be among them. Flags were out, business men along the sidewalks, capitalists everywhere, banners waving.

"Ah, what heroic action is yours," they said. "The great deeds you are about to do! What an honor it is. We will save your jobs, and when you return to this enormously grateful Republic we will welcome you with open arms. Your jobs will be waiting for you here, aye, and with promotions."

So they marched off to war, with its death and destruction. I saw this little army march along Pennsylvania Avenue the other night, ragged, after 16 years had passed, many of them without enough to eat. Some thousands of them here, representing other hundreds of thousands, have come on here to ask this grateful Republic to keep them from starving. They were herded together and practically told they were unwanted here. Who has a better right than they to be in this city, which, had it not been for them, would not exist to-day as the Capital of the greatest Republic on the face of the globe? Who better than they have a right to come to this Capital? Who better than they?

Is that the glory, the honor, the promotion, which they were promised 15 years ago, when, with an excess of fervor and patriotic devotion, they marched out yonder to where this body and the body at the other end of the Capitol had consigned them?

Then there are Members of Congress, according to the press, who slip around in some slimy fashion, so that their names will not be used, and who are so utterly lost to decency as to have the temerity and audacity to suggest that the chief of police of this city should be replaced; that General Glassford, himself a veteran, who has been doing his best to feed these boys, to protect them from the weather, and see that they do not die of disease—that for so doing that man should be discharged from his position, that an efficient officer should lose his place.

God save the mark, Mr. President, what are we coming to when things like these can happen 15 years after these same lads went off to war, with the cheers of a grateful people ringing in their ears?

Fifteen years! It seems as if it were but yesterday. We were a happy people then. We were contented. We were in the midst of peace. We had been kept out of war. It is true the conflict raged on all sides. Other nations were engaged, but not we, thank God.

Parents of children in this country congratulated themselves and the land of their fathers that they were not involved in this bloodshed as were other nations. Peace and plenty there were. The host of 4,000,000 and more had not been called into action thus far. Life was sweet to them. They lived here. They had places to work. Many of them were in college and high school. They enjoyed life. Suddenly it was all changed. They were plunged into the vortex of horror and catastrophe as only war can bring about horror and catastrophe. I repeat for emphasis that

it was by action of the Chief Executive, the Senate of the United States, and the House of Representatives at the other end of the Capitol, 531 men, that those boys and young men were sent into war.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Florida?

Mr. ROBINSON of Indiana. I yield.

Mr. TRAMMELL. The Senator has placed considerable emphasis upon the fact that a President was reelected on the ground that he had kept us out of war.

Mr. ROBINSON of Indiana. That is true.

Mr. TRAMMELL. And that then shortly after his next term began we entered the war.

Mr. ROBINSON of Indiana. True.

Mr. TRAMMELL. Had there not been events which arose and occurred between the time of his reelection and the declaration of war that emphasized the necessity for the country to enter the war?

Mr. ROBINSON of Indiana. I know of none. I do not care to be diverted into a political discussion; but I will say to the Senator in answer to his question that none arose between the election in November and February, when the declaration became a reality.

Mr. TRAMMELL. The situation became more desperate. The Senator said he is not going to enter into a political discussion. Why, then, did he make reference to it? It has nothing to do with the merits of this proposition.

Mr. ROBINSON of Indiana. I made reference to it for this reason, and this alone, that those lads themselves had nothing to do with the making of the war. They were dragged into it. They were forced into it. They had every reason to believe, as indeed the world had every reason to believe, there would be no war. Placards and billboards stared them in the face all over the United States, with the picture of the then President of the United States, with pictures of mothers with their children in their arms, with the slogan, the legend, attached thereto, "He kept us out of war! He kept us out of war!"

That was kept up until November of 1916. Relying on those placards, those billboards, those statements from orators on the platform all over the country, mothers and fathers went to the polls and pledged their faith in those statements and that man with their votes. That candidate was elected and three months afterwards—in February, before that very candidate, the successful candidate, successful largely because of the placards and the billboards and those statements to which I have referred, was inaugurated on March 4, the country was at war and those 4,000,000 men were being marshalled together.

That is what I said. It was from the White House and the Capitol here that those 4,000,000 men were sent to war; and now they are back here in rags, marching through the streets, not wanted, some people and even Congressmen practically intimating that they ought to leave the Capital—this Capital which they preserved and glorified.

Mr. TRAMMELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Florida?

Mr. ROBINSON of Indiana. I yield, though that is as much as I care to say about politics.

Mr. TRAMMELL. I would like to inquire if the Senator does not think that the merits of the claim of the ex-service men of this country are sufficient within themselves upon which to base a support of the pending bill without the necessity of retreating to all character of abuse of those in authority who had anything to do with the declaration of war?

Mr. ROBINSON of Indiana. O Mr. President, I know, but the point I wanted to make, and to make clear, the point which I hope will sink into the consciousness of everybody here, of everybody in the United States, and even into the consciousness of the Senator from Florida himself, is that those who make war do not pay for war. They who pay for war are those who bare their breasts to the enemy and fight,

those who die, those whose widows and orphans throughout the land are now appealing to us, and those who are maimed and wounded. They are the ones who pay for war, not those in authority.

But those in authority can pay the living something. Those in authority can keep the living from starving to death. Those in authority can see that the living have decent clothing to wear. Those in authority can protect the widows and orphans of those who bore the brunt of battle. Those in authority can see to it that these returned veterans either have jobs or money with which to buy food which they now lack. That is the point I wanted to make.

Mr. TRAMMELL. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Florida?

Mr. ROBINSON of Indiana. I much prefer not to be diverted by the Senator.

Mr. TRAMMELL. The Senator has been in the Senate for a number of years. Has he ever proposed any other means than that which exists under the Federal Constitution for the declaration of war?

Mr. ROBINSON of Indiana. Mr. President, I do not care to go into that question at all. I am dealing with historical facts which the Senator will not gainsay or deny.

Mr. President, we were happy then. Sixteen years have passed. During the past 10 years we have seen make their appearance in this fair land of ours, silently and solemnly, some 63 hospitals, to be found in every State of the Union. Those 63 institutions which have appeared since 1919, with 150,000 beds, all occupied, and with long waiting lists, have hospitalized more than 1,500,000 of these veterans, practically one-third of those who answered the call in 1917. One million five hundred thousand! Think of it! So frightful is war to-day, so terrific, with tremendous engines of mass destruction, with gas and chemicals on all sides, that in those 10 fateful years more than 1,500,000 cases have been hospitalized in those 63 institutions.

We are informed by experts that the peak of disability shall not have been reached until 1945. That means, if it means anything, that in the next 13 years other thousands and hundreds of thousands of these lads who now think they are sound, who feel strong and healthy, will have entered those grim portals—so fearful, so terrific, is war to-day. That is the price we pay for war. But when nations go to war they must expect to pay the price forever and anon, over and over again. One of the early statements I made was that unfortunately those who make war do not pay for war.

That does not half tell the story, Mr. President. According to conservative figures, it cost this country in treasure alone \$100,000,000,000. Not only that, but we left 60,000 dead in France. All over this country others have passed on to the great beyond, lads who answered the call. It is too late for the Congress to give them any bonus. They are gone. It is too late for Congress even to begin to pay them anything in dollars and cents for the heroic sacrifice they made. It was the supreme sacrifice. They are gone. Only their widows and orphans remain. Their comrades in various veterans' organizations are petitioning us to see that they are taken care of. There has been a bill pending in the Senate for more than a month which has never been permitted to see the light of day which only undertakes to do some small measure of justice to widows and orphans of those who gave their lives.

Mr. President, as soon as the war was over the railroads came to Congress and said that their incomes had suffered during the war; that they required hundreds of millions of dollars in bonuses, in readjusted earnings, to make them square with the world. That was mentioned a moment ago by the Senator from Iowa [Mr. BROOKHART]. Congress enacted legislation immediately to pay that bonus to the railroads, hundreds of millions of dollars in cash. There was no suggestion that they wait until 1945. It was cash.

Then the civilian employees of the Government came in and suggested that they had refrained from taking larger earnings which the war time afforded and they ought to be reimbursed and have their earnings readjusted to some

degree. Congress immediately said that was right. I have no quarrel with this action, Mr. President. If I had been here I think I should have voted as a majority of my colleagues here and over in the other body voted. But the point is that they were paid cash. They were not asked to wait until 1945.

Contractors who had built cantonments all over the land came in and said, "Listen! You closed the war too soon for us. You quit fighting. These boys over there stopped this job of ours. They went over and did their work too well. They ended the war." I say with everlasting pride that they did end it shortly after they got there. That was the job they had to do, and they did it well. But the contractors of the country were making tremendous profits out of their sacrifice. I do not blame them particularly for having the contracts—some one had to do the work—but the point is that they were here in safety; they were never over there entrenched in mud, going without enough to eat, stopping bullets for \$30 a month, for \$1 a day. They were here in safety. They said, in effect, "The job was done too quickly and too efficiently over there. It is ended now and here we are. We have these contracts and it is going to cost us some money. We need a bonus. We need adjusted compensation." What did Congress do? Congress immediately paid it. They were not asked to wait until 1945. They were paid cash on the spot.

About that time bitter experiences were tasted by some of these lads who had gone over there, our great Army of 4,000,000 men—2,000,000 men over there and 2,000,000 men over here—and I give equal credit and equal honor to all of them. The boys over here were anxious to go over there, and had their presence been needed over there they would have been there. They served where they were told to serve and deserve great honor and credit for it. These men had all returned and many found their jobs which had been promised them were gone. The promises which had been made to them did not materialize. In fact, they found themselves in needy economic circumstances, badly off, attempting to rehabilitate themselves; and many of them have been badly off ever since. Many of them have never been rehabilitated. God have compassion on thousands and hundreds of thousands of them, for they never can be rehabilitated, Mr. President, in this world; it is too late. But, strangely enough, they looked around for the glory that was promised them, and even that was conspicuous by its absence. The man with a wooden leg or with no leg at all seeking money to buy a leg for one which was shot off on Flanders field, a man sightless, earless, noseless, and the friends and the family of the man who was mentally dark and blind wondered about the glory part of it—"where is the glory?"

It is rather common for those who have never seen war and never been in it to say of the veterans, "Why, the country does not owe them a cent; it is perfectly all right; what an honor and privilege it is to serve one's country!" I wonder how many there are among those who make war—those who make war and do not pay for it—who would like to go and accept some of its glory at \$30 a month—a dollar a day—with little hope of continued existence in this world?

The lads who have come here are proud men. I said on this floor day before yesterday the lads in this so-called bonus army are not here because they want to be here; they are here because this is the Capital of the Nation, and here sit those in charge, for the moment, at any rate, of the destiny of the Nation. They make their appeal to them in person, that we may see their rags, that we may see their suffering, that we may to some extent realize something of their misery. That is the only reason they are here.

So these lads, proud, and their families—proud Americans all—finally—tardily, it seems to me, for I have always felt this readjustment should have come as soon as the war was over—in 1924 asked for the passage of a bill, erroneously called the bonus bill. And in the end Congress said, "That is right; you are entitled to it, you are entitled to some compensation, to some readjustment, and this is the way we are going to readjust your compensation." Listen to this—this is the job Congress did in 1924. "We have looked

around to see what the lowest-paid labor received during the war, and we find that to be about \$60 a month. You received a dollar a day, and \$1 a day added to it, making \$2 a day—or \$1.25 added to it, if you saw service overseas—will just about bring your compensation up to what the lowest-paid laborer received during the war. But," they added—listen—"because of the fact that you have rendered this patriotic service we are going to ask you to wait until 1945; then if you are still living, we will pay you." [Laughter in the galleries.]

The VICE PRESIDENT rapped with his gavel.

Mr. ROBINSON of Indiana. "It is true," said the Congress, "we paid the railroads cash; we did not ask them to wait until 1945; it is true," said Congress, "that we readjusted the compensation of civilian employees and paid them cash; we did not ask them to wait until 1945. It is true we readjusted the earnings of the contractors of the country because the war ended too soon and they needed the money. We paid them cash; we did not ask them to wait until 1945. But, as to you boys, now that we are readjusting your compensation, at any rate in theory and in principle, we say that the dollar a day you received with a dollar added to it will just bring your pay up to what was paid the lowest-paid laborers during the war; that ought to be satisfactory to you for the present and we will pay you in 1945."

I say that debt should have been paid at once. It was a debt, Mr. President; it was not a bonus. It is not due in 1945. It was due the day the armistice was signed; indeed, it was due, if due at all, as the service was being rendered.

I hesitate to mention that to which I am about to refer. Perhaps the Senator from Florida can get some comfort from it. I understand the present Secretary of the Treasury made the statement the other day—I hope he did not make it; I hope he has been misquoted, but I have been informed that he made the statement that these soldiers are asking for a debt that is not due until 1945 to be paid with dishonest money. I hope he never made that statement. Never was any statement falser than that. The debt was due the day the armistice was signed, if it was due at all; and the soldiers do not want it paid in dishonest money. They want it paid in honest money, the coin of the realm, with the majesty and the honor of the United States Government behind it. That is what they want and nothing less than that.

Mr. TRAMMELL. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Florida?

Mr. ROBINSON of Indiana. I yield.

Mr. TRAMMELL. The Senator refers to me because I resented his criticism of the then President of the United States at the time of the declaration of war, and his severe criticism of the Members of Congress at that time. Now he asks me a question with regard to a member of his own party, the Secretary of the Treasury. I will say that I am not his keeper; I hold no brief for him, and if he said anything of that kind I do not agree with him.

Mr. ROBINSON of Indiana. Mr. President, I hope the Secretary of the Treasury has too much sense of common decency to have made any such statement as he has been quoted as having made. I read in the newspapers that the same authority was purported to have said when he was asked as to what would be done about the bonus, that it might be paid with the foreign debts when those debts should be collected. I hope he did not make that statement either, Mr. President; neither statement is worthy of him.

We passed a law in 1924 acknowledging the debt but postponing until 1945 its payment. The then Chief Executive of the United States vetoed that law; and Congress, by that time evidently seeing that there was tremendous ground for the payment of this obligation, had to pass it over his veto. Since then, Mr. President, things have gone on from bad to worse, until many thousands of the veterans of the World War have marched here to Washington asking justice of the Congress which recently sent them to war. I repeat that again and again. The Congress has lost nothing

through the war, except as the whole world has lost, as the whole world always loses when war comes. The veterans are asking Congress now at this belated moment to pay this debt.

I understand many of the powers in Wall Street are opposed to it; big business in many places is opposed to it; they say that the Budget must be balanced. Why, Mr. President, it seems to me to be elementary that, with a debt of more than \$2,000,000,000, due and unpaid, a debt that was due on November 11, 1918, hanging over the head of the Government, the Budget can not be balanced; with that arrearage there can be no balancing until the debt is paid; and the best way to balance the Budget is to pay the debt owed and get even and square with the board, and at the same time do justice.

Mr. President, war is a terrible thing. When two nations go to war it is, on a gigantic scale, just the same as two men fighting a duel with pistols pointed at each other's heart. One may die; both may die. A nation fights through its young men, not so much through its capital, for, Mr. President, capital always takes care of itself; a million dollars can always protect itself. That leads me to suggest, though, that capital might well be conscripted in time of war, and thus make its contribution to the general cause, and certainly the war profits of the profiteers should all be conscripted.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. ROBINSON of Indiana. I yield.

Mr. NORRIS. I can not help interrupting the Senator's eloquent address to make a suggestion in line with what he has just said. The greatest contribution that could possibly be made to world peace would be to do just what the Senator has said, namely, in time of war to make capital stand its share. Then there would be no more war.

Mr. ROBINSON of Indiana. Try to do it, and you will find out yonder the lobbyists in force representing big business. Do Members of the Congress suggest that they go home, that they are not entitled to be here, that they are not allowed to remain in the Nation's capital?

Mr. NORRIS. We had such people here when the declaration was made that put us into the World War.

Mr. ROBINSON of Indiana. Beyond any question of a doubt that is so. They scented big money.

Mr. President, I was just observing that when two nations go to war it is just the same as two men fighting a duel; one may die; we have seen them die. But the young men must save not only the honor of their country and the glory and majesty of its flag but the young men must defend the women and children of the country or the country perishes; it goes the way of all flesh. Mr. President, the best way to assure the preservation of a nation is for that nation to be grateful and considerate to those who have defended it in time of peril.

The great Russian Empire at the beginning of the World War ranked second proudly among all the nations of the earth. It is to-day a memory; dead, turned to dust, never again to return to its pristine glory. Other governments may come and go, but that government is dead. The great Austro-Hungarian Empire is dead; the great German Empire is dead; the great Turkish Empire is dead; Montenegro is dead, wiped off the map. Our children of to-day do not know, at any rate from the geographies, that such countries ever existed. Those governments are dead, all due to war; all dead; we saw these great nations die.

The earth is filled with turmoil and misery, and this condition is the direct aftermath of the World War.

But America lives. Mr. President, I want this great country of ours never to die; I want it to go on. I want the children coming on to have faith in this country; that they may be glad to volunteer to go out and serve it in time of desperate need; that it may live on and on and on and never die.

Mr. President, the average age of these veterans is 38. They have not yet been rehabilitated. I say let the United States Government give them jobs, which they would like

to have, or else give them money with which to buy food, to which they are entitled. They are the saviors of the land and the flag, who made it possible for the Government to endure. By so doing, by passing this bill, by doing this tardy justice to the defenders of America, we will have been true to our traditions; we shall have taken a great step forward and onward and upward to the fulfillment of our glorious destiny; and all our people will be happy in the knowledge that this Republic is grateful.

Mr. HAWES. Mr. President, the Senator from Indiana is right in one respect. The adjusted compensation was a graveyard settlement. The settlement ought never to have been made in the manner in which it was made.

I was a Member of the House at the time, and proposed a cash settlement as the best kind of settlement, because the men needed the money then. They had recently returned from the war. They were out of employment; and it would have been a graceful act for the Nation to have finally settled the matter in one enactment of the Congress. I introduced a bill for a cash settlement, and spoke for it. So to that extent I believe the patriotic Senator from Indiana is right.

But my mind goes back to the period of the war, to the men who enlisted and the men who volunteered. It was a fight by the whole Nation. I remember my own family, the women in it knitting socks, collecting money, serving as nurses; and we must think of those women now. We must think of those who bore many diverse burdens during the war.

Again we have reached in our history a period of great distress, a period of trial, a period that is straining the nerves and the courage of the Nation. During the war we mobilized industry. We lent money to the world. We voluntarily accepted a great burden of taxation; and now once again the Nation is in distress. Everybody must make sacrifices at this time. Everyone must carry his portion of the load of uncertainty and lack of occupation. It does not seem to me that the time has yet arrived when, because men served in the Army, we should forget the women back home; and we should not forget the other elements that contributed during the war.

I think of the family as a unit. I think my experience was about that of every other man—that is to say, that every male in the family volunteered, either in my home State of Missouri or back in my native State of Kentucky. They did their share, and the women all did their share.

Now, when we are cutting down the salaries of all of our Federal employees, when we are cutting down hospitalization, when we are cutting off supplies for welfare boards, when long lines of men are out of employment in the cities, when the President of the United States and the Senate and the Congress and the governors of States are trying to bring about a proper balance, it seems to me the soldier boys should wait a while. Let them have the same spirit and the same courage that they had when they went into the war. Let us wait until the clouds of distress roll by. Let us think not of one class of our people but of all classes of our people.

We have sympathy for these men. They have been orderly, they have been kindly, they have been peaceful in coming here and asking for the immediate payment of their insurance; but we do not know what distress granting their request would bring to the rest of the country, and we must consider all of the country and not part of the country, all of our people not part of them.

I certainly agree with the Senator from Indiana that the original settlement was a poor settlement. It was what I called it on the floor of Congress, a graveyard settlement. It was not judiciously done; but it has been done, and to-day I think the Senate in voting upon this bill must think not only of one class of our citizens but of all classes of our citizens.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. HAWES. I yield.

Mr. ROBINSON of Indiana. They come from every home in the land. There is not a single home in America that was not touched by the war or that did not have some one close to the members of that family in the war; so it is not a

question of a special class. They come from every single part of the country.

Mr. HAWES. I tried to inform the Senator how it affected my own home. It left my country place without a man on it, and of course it hit every home. But the main thing to-day is to get over this economic depression and to do it bravely, unitedly. I should like to have every soldier take that thought back home and think, as he did in the days of the war, of America again in distress, and with patience wait a while.

Mr. THOMAS of Oklahoma. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Jones	Robinson, Ind.
Austin	Couzens	Kean	Schall
Bankhead	Dale	Kendrick	Sheppard
Barbour	Davis	Keyes	Shipstead
Barkley	Dill	King	Shortridge
Black	Fletcher	La Follette	Smoot
Blaine	Frazier	Lewis	Steiner
Borah	George	Logan	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McNary	Townsend
Broussard	Goldsborough	Metcalf	Trammell
Bulkeley	Gore	Moses	Tydings
Byrnes	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Wagner
Caraway	Hatfield	Nye	Walcott
Carey	Hawes	Oddie	Walsh, Mass.
Cohen	Hayden	Patterson	Walsh, Mont.
Connally	Hebert	Pittman	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Johnson	Robinson, Ark.	White

The VICE PRESIDENT. Eighty Senators having answered to their names, there is a quorum present.

PETITIONS AND MEMORIALS

Mr. ASHURST presented a letter in the nature of a memorial from the Nogales (Ariz.) Chamber of Commerce, remonstrating against the passage of legislation to increase the tariff duties on commodities entering the United States from countries having depreciated currencies, which was referred to the Committee on Finance.

He also presented a telegram from Dan J. Lyons, commander of Morgan McDermott Post, the American Legion, Tucson, Ariz., stating that that post went on record "instructing delegates to our next State convention to favor immediate payment of the bonus," etc., which was ordered to lie on the table.

He also presented a telegram in the nature of a petition from Frank A. Thackery, Oatman, Ariz., praying for the inclusion of a \$50,000 item for an experimental station at Fort Mohave in the public improvement or unemployment relief measures, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by members of Waterproof Garment Workers' Union, Local No. 20, International League of Garment Workers' Union, New York City, N. Y., protesting against the passage of the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Cazenovia, N. Y., praying for the ending of national prohibition and the levying of taxes on the liquor traffic, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Brooklyn and vicinity, in the State of New York, remonstrating against the passage of the so-called Patman bill, providing for the immediate payment to veterans of the face value of their adjusted-service certificates, which was ordered to lie on the table.

EXTERMINATION OF GRASSHOPPERS

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD several telegrams which have to do with an appropriation which was passed by the Senate on four different occasions, and is now before a conference committee of the House and the Senate. These telegrams refer to an appropriation inserted by the Senate in the agricultural appropriation bill to be used to fight the

grasshopper menace in the Northwest. For the information of the conferees, I ask to have the telegrams printed.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

HON. ARTHUR M. HYDE,

Secretary of Agriculture,

Morrison Hotel, Chicago, Ill.

Letters and telegrams coming from Northwest telling of tremendous hatching of grasshoppers. Your letter of June 10 to Congressman JAMES P. BUCHANAN influenced the House of Representatives in killing appropriation intended to be used to stop impending devastation of crops of Northwest. Bureau of Entomology informed me to-day that if funds can be made available this week it will still not be too late for effective use. If you will withdraw letter to Mr. BUCHANAN and back the Department of Entomology with another letter favoring an appropriation another effort will be made to obtain funds for this work.

HENRIK SHIPSTEAD.

CHICAGO, ILL.

Senator HENRIK SHIPSTEAD:

Present information does not justify change in department's attitude regarding grasshoppers as expressed letter to Buchanan.

ARTHUR M. HYDE,

Secretary Department of Agriculture.

MINNEAPOLIS, MINN., June 16, 1932.

Senator HENRIK SHIPSTEAD,

United States Senate, Washington, D. C.:

Supplementing telegram, 14th, sent Secretary Hyde, Speaker GARNER, and Congressman ANDRESEN, we have further investigated grasshopper situation. Can report that Minnesota can and will take care of situation in Minnesota without Federal aid. We are equally certain that funds are needed immediately for North and South Dakota and Montana. Even a week's delay would probably necessitate much larger amount. If \$500,000 could be immediately available for these three States, we believe situation can be satisfactorily handled. Legal situation in these States makes immediate appropriations impossible, and financial condition of counties involved is such that funds could not be raised for immediate use anyway. Arrangements will be made to advance money if we can have Government's assurance that we will be reimbursed. Please address E. W. Decker, Northwestern National Bank, Minneapolis.

A. R. Rogers, chairman Minneapolis Industrial Committee; B. B. Sheffield, president Minneapolis Civic & Commerce Association; L. E. Wakefield, president First National Bank; E. L. Carpenter, president Shevlin, Carpenter & Clarke Co.; E. W. Decker, president Northwestern National Bank; W. A. Durst, president Minnesota Loan & Trust Co.; F. T. Heffelfinger, president F. H. Peavey & Co.; George D. Dayton, president the Dayton Co.; C. T. Jaffray, president Soo Line Railroad; Thomas J. Wallace, president Farmers & Mechanics Savings Bank; Carl W. Jones, publisher the Minneapolis Journal; F. E. Murphy, publisher the Minneapolis Tribune; John Thompson, publisher the Minneapolis Star; J. H. MacMillan, president Cargill Elevator Co.

MINNEAPOLIS, MINN., June 16, 1932.

Senator HENRIK SHIPSTEAD,

Senate Office Building, Washington:

We are emphatically convinced beyond any question of doubt that immediate action for poison bait to combat grasshopper plague is necessary. There is time to overcome the great danger confronting us at this moment. Reports of this hopper menace are so convincing that delay might further endanger the finances of the whole country. Business will suffer if something is not accomplished at once. Feel that this is a national problem.

MINNEAPOLIS BUSINESS MEN'S ASSOCIATION.

HON. ARTHUR M. HYDE,

Secretary of Agriculture, Morrison Hotel, Chicago, Ill.

Respectfully suggest while in Middle West you personally survey grasshopper situation. Result will justify change your department's attitude in premises. Have information reliable sources situation critical in Minnesota, North and South Dakota, Nebraska, and Montana particularly. Fear disastrous results if appropriation fails.

HENRIK SHIPSTEAD.

PROHIBITION OF SOVIET IMPORTS

Mr. ODDIE. Mr. President, in behalf of a large number of patriotic, civic, and business organizations I had the honor of presenting a petition to the Hon. Ogden L. Mills, Secretary of the Treasury, on March 15, 1932, for the enforcement of section 307 of the tariff act of 1930 against Soviet imports.

At the time this petition was presented there were approximately 100 names of organizations attached. Since then other organizations have expressed their desire to support this petition and this movement for the prohibition of Soviet imports. I ask permission that the petition as signed by all

of the organizations to date, together with the brief reply of Secretary Mills of March 23, 1932, be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the matter indicated was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PETITION FOR THE ENFORCEMENT OF SECTION 307 OF THE TARIFF ACT OF 1930, AGAINST SOVIET PRODUCTS

MARCH 15, 1932.

HON. OGDEN L. MILLS,

Secretary of the Treasury, Treasury Department,
Washington, D. C.

MR. SECRETARY: We desire to submit for your consideration certain facts and observations relating to the importation into the United States of articles produced by convict or forced labor in the Soviet Union, together with extracts from the constitution, laws and decrees in force in that country, and other evidence of the practices of the Soviet régime, all of which have a direct bearing on the enforcement of section 37 of the tariff act of 1930.

The department has been advised by representatives of labor and agriculture, manufacturers, and producers of raw materials, individually and collectively, that imports produced under the conditions of virtual slavery which exist in the Soviet Union are a serious menace to many branches of industry and agriculture in the United States. The Treasury Department is also aware that for years past patriotic societies, separately and together, have painstakingly investigated and established by unimpeachable evidence the true nature of the economic system which prevails within the boundaries of the U. S. S. R. It is the belief of all these organizations that American political and economic institutions are imperiled as a result of the commercial war which is being waged by the dictatorship in Moscow upon all civilized society.

In the light of these facts, and particularly in light of the position taken by the United States concerning the recognition of the Soviet régime, we can not believe that the Treasury Department will dispute the fact that section 307 of the tariff act of 1930 was enacted to protect American industry from the competition of forced labor as that term applies to conditions of labor in Soviet Russia. The intent of the statute is clear upon this point.

The existence of forced labor throughout Russia is a matter of general and common knowledge. Communism or state socialism as it exists in Russia involves unified economic effort and makes complete and rigid control over all economic activity essential. This is not a matter of dispute. It is a fundamental element and well-known principle of the Soviet system.

We may expect to find evidence of this policy in the constitution and laws of Soviet Russia. Article 9 of the constitution declares that labor is a duty of all citizens. Article 61 of the criminal code makes refusal to perform compulsory services or to carry out work of national importance a criminal offense. Article 11 of chapter 3 of the labor code provides that where there is a deficiency of labor for the execution of important state tasks all citizens may be called to labor duty by a special resolution of the Council of Peoples Commissars. This is the basic law of the Soviet Union and its constituent republics. No one will dispute the fact that the 5-year plan of the U. S. S. R. is the "important state task" provided by the laws.

Abundant evidence of the active and effective enforcement of these laws relating to labor is already in the files of the Treasury Department. You also have in your possession a mass of decrees and other pronouncements taken from official Russian sources, a number of which are attached hereto as illustrative exhibits, which definitely establish that "forced labor" in the commonly accepted sense of that term prevails throughout Russia. Therefore there is no need to take time here and now to reexamine this mass of detailed evidence.

It is our belief that the evidence already in the possession of the department establishes that "forced labor" in the commonly accepted sense of that term, is a fundamental part of the Soviet system. Any evidence secured hereafter could do no more than corroborate the evidence which already is in the possession of the department. It is improbable that the Treasury Department will be able to secure any facts relating to specific shipments of Soviet products. It may, therefore, be reasonably concluded that the question of whether or not section 307 is an effective bar against the products of "forced labor" as it exists in Russia rests on facts already before the department and must be decided upon the basis of these facts.

We are not asking that the Treasury Department declare its views as to the desirability or undesirability of excluding Soviet products under section 307. We are asking whether, under section 307, the intent of Congress to exclude the products of "forced labor" will be effectively enforced against the products of that country. We assert, in that connection, that all the facts are now before the department and that a prompt decision as to the action which the department intends to take should be rendered. If you believe the law is defective, it is our purpose to urge the enactment of effective legislation. We are hopeful that the decision of the Treasury Department will make this unnecessary.

This is a matter of deep and vital interest to the patriotic societies interested in the future welfare of the United States, as well as to American labor and American industry. If you, as the executive officer of the Government charged with the enforcement of the tariff act, are of the opinion that you do not have the means of enforcing section 307 against Soviet products, we ask a definite statement to that effect so that we can then present the

matter to Congress for the necessary legislative action for the protection of American labor and industry from this ruinous and unfair competition and for the preservation of our economic, political, and social institutions.

(Original signers of petition presented to Secretary Mills on March 15, 1932.)

American Alliance (Inc.), Walter L. Reynolds, secretary.

American Coalition of Patriotic Societies, John B. Trevor, chairman of the board.

American Farm Bureau, Chester H. Gray, Washington representative.

American Legion, John Thomas Taylor, legislative representative.

American Legion Auxiliary, Mrs. Frederick C. Williams, national president.

American Machine & Metals (Inc.), V. C. Stephens, treasurer.

American Manganese Producers' Association, J. Carson Adkerson, president.

American Manganese Development Corporation, Anthony J. Molephini, secretary.

American Security League, Amos A. Fries, president.

American Vigilant Intelligence Federation, H. A. Jung, manager-director.

American War Mothers, Mrs. L. H. Stone, national president.

American Women's Legion, Mrs. Dorothy C. Bettelheim, president.

Amherst Mining Co., George H. Crosby, jr., treasurer.

Anglo-Saxon Federation of America, John Walter Stephens, chairman.

Anthracite Cooperative Association, Joseph F. Noonan, president.

Anthracite Institute, Brice P. Disque, executive director.

Arizona Asbestos Association, Lewis H. Brown, president.

Bear Canyon Asbestos Co., A. S. Blagden, president.

Berst-Foster-Dixfield Co., Ned G. Begle, president.

Brown Co., W. R. Brown, assistant treasurer.

Chamber of Commerce of the State of New York, J. Barstow

Smull, president.

Crown, Zellerbach Corporation, M. R. Higgins, president.

Dames of the Loyal Legion, National Society, Mrs. Rhoda C. Y.

Schelly, national president.

Daughters of the American Revolution, National Society, Edith I. Hobart, national president general.

Daughters of the Revolution, National Society, Mrs. Eugene J. Grant, president.

Daughters of the Revolution, of New Jersey, Charlotte C. Ay-crigg, State regent.

Daughters of Union Veterans of Civil War, Harriet J. Goetz, national president.

Disabled American Veterans, Thomas Kirby, national legislative chairman; Vivian D. Corbly, national adjutant.

Domestic Manganese & Development Co., H. A. Pumpelly, vice president.

Evergreen Mines Co., D. C. Pettyjohn, assistant to general manager.

Fraternal Order of Eagles, J. C. Canty, grand worthy president.

Hy-Grade Manganese Co. (Inc.), Charles H. Massie, manager.

Hy-Grade Manganese Production & Sales Corporation, N. H. Mannakee, president.

Independent Petroleum Association of America, Wirt Franklin, president.

Industrial Defense Association (Inc.), Edward H. Hunter, executive secretary.

Joint Conference on the Russian Situation, George F. Zimmer, assistant to president.

Johnson City Central Labor Union, John B. Holcombe, president.

Junior Order of the American Mechanics, John H. Noyes, legislative representative.

Junior American Vigilant Intelligence Federation, Rachael E. Holmes, president.

Kentucky Cardine' Coal Corporation, J. C. Stras, president.

Leonla Women's Republican Club, Mary P. Shelton, regent.

Long Leaf Yellow Pine (Inc.), O. N. Cloud, secretary-manager.

Manganese Mines Co. of America, L. B. Hungerford, secretary.

Merchant Tailors' Society of the City of New York, John J. T. MacNamara, secretary.

Military Order of the World War, John Ross Delafield, commander in chief.

Minnesota Sintering Co., Stanley B. Trayer, superintendent.

Montana Prince Mining Co., Clinton J. Hanson, assistant treasurer.

National Confectioners' Association, Walter C. Hughes, secretary.

National Defense Committee of American Legion, Amos A. Fries, member.

National Exchange Club, Alfred A. Jenkins, national president; Herold M. Harter, national secretary.

National Immigration Legislative Committee, Demerest Lloyd, chairman.

National Grange, Fred Brenckman, Washington representative.

National Lumber Manufacturers' Association, C. W. Bahr, economist.

National Patriotic Council, Mrs. Noble Newport Potts, president.

National Patriotic League (Inc.), H. Ralph Burton, vice president and general counsel.

National Patriotic Association of Chicago, Rachael E. Holmes, executive secretary.

National Security League (Inc.), R. L. Bullard, president.

National Society Sons and Daughters of the Pilgrims, A. C. Reeves, governor general.

National Society United States Daughters of 1812, Mary Logan Tucker, chairman national defense committee.
 National Sojourners (committee of 13), F. W. Sopford, C. A. C., president.
 Naval and Military Order Spanish-American War, Robert Lee Longstreet, commander in chief.
 New Hampshire Timberland Owners Association, W. R. Brown, president.
 New York, Ontario & Western Railway Co., J. H. Nuelle, president.
 North Range Iron Co., D. C. Pettyjohn, assistant to general manager.
 Order of Independent Americans, A. S. Losh, State councillor, Pennsylvania.
 Patriotic Builders of America, Mrs. William Cummings Story, president.
 Patriotic Order Sons of America, Herman A. Miller, secretary.
 Penn Anthracite Mining Co., Charles Dorrance, president:
 "Speaking for 1,000,000 citizens of the State of Pennsylvania whose names have already been affixed to petitions to the President of the United States for the exclusion under section 307 of Russian anthracite, we wish their signatures as being considered signed to similar petition dated March 15, 1932, to Secretary of Treasury."
 Reserve Officers' Training Corps Association, Col. Orvel Johnson, executive secretary.
 Ridgewood Unit Republican Women, Katharine H. Stratton, vice president.
 Silver Prince Mining Co., Inglis M. Upperco, vice president.
 Society of Colonial Wars, Norman S. Dike, governor.
 Society of New England Women, New York City Colony, Mrs. L. Grant Baldwin, chairman.
 Sons of the American Revolution, Josiah A. Van Orsdel, president general.
 Southern New England Lumber Manufacturers' Association, Elisha R. Bitgood, president.
 Southern Pine Association, C. C. Sheppard, president.
 Southern Vigilant Intelligence Association, George B. Helmer, president.
 Southwestern Virginia (Inc.) (a regional chamber of commerce), H. K. Bowen, executive secretary.
 Trenton Potteries Co., John A. Campbell, president.
 Trout Mining Co., V. C. Stephens, treasurer.
 Union League of Michigan, Walter C. Cole, vice president.
 United Daughters of the Confederacy, Mrs. James Harvie Dew (New York).
 United States Air Force Association, Col. J. Edward Cassidy, director general.
 U. & S. Mining & Development Co., Leslie L. Savage, president.
 Veterans of Foreign Wars of the United States, Darold D. DeCoe, commander in chief; L. S. Ray, chairman legislation committee.
 Veterans of Foreign Wars, Ladies' Auxiliary, Dora E. Raffensperger, national president.
 Virginia Federation of Women's Clubs, American citizenship committee, Helen Norris Cummings, State chairman.
 Westchester Security League, Mrs. Henry Perez, president's representative.
 West Coast Lumbermen's Association, W. B. Greeley, secretary-manager.
 West Coast Manganese Corporation, Ernest A. Wiltsee, vice president.
 White Band (Inc.), J. W. Scott-Sanders, brigadier general, department of mobilization.
 Whitmarsh Mining Co., J. D. Enright, secretary.
 Women of Army and Navy Legion of Valor, Mrs. Charlotte Rock, national president.
 Women Descendants Ancient and Honorable Artillery, Mrs. Julia A. Jewett, president.
 Women's Patriotic League of America, Mrs. Joseph L. McCarthy, president; Mrs. F. E. Grant, chairman committee on subversive activities.
 (Signers of petition presented to Secretary Mills subsequent to March 15, 1932.)
 Allied Patriotic Societies (Inc.), Alexander L. Ward, secretary.
 American Legion, Department of Ohio, W. A. Burlingame, vice commander.
 American War Mothers, Missouri State Chapter, Mrs. H. J. Knapp, president.
 American War Mothers, Galveston (Tex.) Chapter.
 A. N. V. I. L. movement, J. W. Scott-Sanders, director general.
 Arizona Peace Officers Association, J. E. Wilkie, secretary-treasurer.
 Better America Federation, of California, Margaret A. Kerr, secretary.
 Chamber of Commerce, Hattiesburg, Miss., H. O. Hoffman, president.
 Chamber of Commerce of the Tonawandas, North Tonawanda, N. Y., Henry Adema, secretary.
 Catholic Woman's Club, Natick, Mass.
 Daughters of the American Revolution, Tamalpais Chapter, San Francisco, Calif., Mrs. Philip J. Lawler, regent.
 Daughters of the American Revolution, Indiana State Society, Mrs. Horace C. Murphy, national defense chairman.
 Daughters of the American Revolution, Texas State Society, Mrs. Walter Gerald Weaver, chairman national defense committee.
 Daughters of the Confederacy, Galveston, Tex.
 Du Page County Bar Association, Du Page County, Ill., Win G. Knuch, secretary.

Four Minute Men of the World War, Rev. Edward P. Leick.
 Greater New York Gospel Mission, Walter D. Britt, director.
 Industrial Association of Perth Amboy, N. J., O. R. Hatfield, secretary.
 Italian World War Veterans, of Galveston, Tex.
 Junior Order United American Mechanics, Middle Village Council, New York, Frederick Gruber, secretary.
 Kiwanis Club, Council Bluffs, Iowa, Everett N. Wright, secretary.
 Massachusetts State Guard Veterans, Thomas H. Bassett, commander.
 National Association for Civic Publicity, Harry R. Lee, managing director.
 National Hardwood Lumber Association, L. S. Beale, secretary-treasurer.
 National League of Americans of Russian Origin (Inc.), J. J. Lissitzyn, secretary.
 National Republic Magazine, Walter S. Steele, general manager.
 National Society of the Colonial Descendants of America, Mrs. Charles Henri-Fisher, president general.
 National Star Spangled Banner Association (Inc.), Walter I. Joyce, president.
 New Hampshire Lumbermen's Association, Arthur G. Bowler, president.
 Order of Independent Americans, Hazelton (Pa.) Council, Justus C. Schatz, secretary.
 Pacific American Steamship Association, W. J. Petersen, secretary.
 Patriotic Order Sons of America, New Jersey, Edgar H. Wilson, chairman State legislative committee.
 Pearl City Plywood Co. (Inc.), G. L. Willson, secretary.
 Reserve Officers' Association of the United States, Col. Charles H. Rutherford, judge advocate.
 Russian-American Anti-Communist League, Maj. Gen. M. N. Yanenko, president.
 Russian Patriots Fighting Communists, D. Rodianoff.
 Shipowners' Association of the Pacific Coast, Capt. W. J. Petersen, secretary.
 Society of the Third Division, Capt. Wiley H. Marble, president.
 Sons of the American Revolution, committee on correspondence and safety, Arthur M. McCrillis, chairman.
 Sons of the American Revolution, Virginia Society, N. Charter Burruss, director committee on correspondence and safety.
 Sons of the American Revolution, West Virginia Society, Franklin L. Burdette, secretary.
 United States Civil Legion, Rev. Harry L. Bowlby, national chaplain.
 Veterans of Foreign Wars, Walter Irving Joyce, director national Americanization committee.
 Veterans of Foreign Wars, Department of New York, George William Duggan, patriotic instructor Americanization committee.
 Western (R. I.) Women's Republican Club, Mrs. Charles H. Broomfield.
 Woman's Relief Corps (national society), auxiliary to the Grand Army of the Republic, Miss Evelyn S. Manley, chairman Americanization committee.
 Woman's Relief Corps, No. 10, Flushing, N. Y., Hennie Free Mead, secretary.
 United American-Ukrainian Organizations, Walter Gallan, president.
 Young Men's Progressive League of Galveston, Tex.

THE SECRETARY OF THE TREASURY,

Washington, March 23, 1932.

MY DEAR SENATOR ODDIE: In view of the statement made by me at the hearing with reference to section 307 of the tariff act of 1930, in so far as it affects importations from Russia, it was not thought that a further reply was required to the petition filed by you and your associates. I understand, however, that you desire a further reply.

Section 307 forbids the importation of all goods, wares, articles, and merchandise mined, produced, or manufactured, wholly or in part, in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions.

"Forced labor" is defined as follows:

"All work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily."

For the purpose of administering this section of the law the Treasury Department has adopted regulations, a copy of which is inclosed. It will be noted that these regulations in effect place the burden of proof on the importer to show that the goods offered for entry were not produced by forced labor, as defined by the statute. However, in the few cases which have already arisen it is apparent that the importer has no difficulty in sustaining the burden placed on him and in rebutting any presumption in the absence of evidence to the contrary. And, in view of the fact that the Treasury Department has no means of investigating conditions of production in Soviet Russia, evidence rebutting the presumption created by the affidavits of the shippers and importers can not well be produced. It should further be noted that in carrying out this or any other law the Treasury Department can not act without the necessary evidence. Its decisions are reviewable by the courts. The customs courts have almost uniformly accepted affidavits of importers and shippers, and in the absence of evidence rebutting the presumption created by these affidavits the position taken by the Treasury is not supported by the court.

To date there have been 12 shipments offered for entry as to which the provisions of section 307 might have applied. In every one of these cases apparently authentic affidavits were offered by the importers in accordance with the regulations of the Treasury Department. In every one of these cases there was no evidence available to rebut the presumption created by the affidavits, and accordingly the Treasury Department was bound to admit the goods.

In the petition presented by you on March 15 the position is taken that "the existence of forced labor throughout Russia is a matter of general and common knowledge," and that "it is our belief that the evidence already in the possession of the department establishes that forced labor, in the commonly accepted sense of that term, is a fundamental part of the soviet system." Or, in other words, it is held in the petition that all labor in Russia is forced labor, and that section 307 should be so interpreted as to include all goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in Soviet Russia.

As I stated at the meeting on March 15, if in writing section 307 the Congress intended that its definition of "forced labor" should be broad enough to include all labor in the Union of Soviet Republics, then I submit that the Congress should say so in so many words. There is not in this department the legal evidence necessary to establish the fact that all labor in Soviet Russia is forced labor, as defined in the present law, and if all labor is not forced labor, then the question must inevitably arise when an individual cargo is offered for entry whether that individual cargo was or was not produced by forced labor; and when that question arises we are confronted with the situation above described.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

Hon. TASKER L. ODDIE,
United States Senate.

GRASSHOPPER PLAGUE IN THE NORTHWEST

Mr. SCHALL. Mr. President, I ask unanimous consent to insert in the RECORD letters and wires from prominent people in my State in reference to the grasshopper menace and ask that they may lie on the table. Also a clipping from the Minneapolis Tribune.

The situation is extreme and demands immediate action. The prospects are for the best crop of years estimated at a billion. If this small relief does not come now, it means wide destruction not only of the farmers but the business of the entire Northwest. I can not urge too strongly the need of immediate action. No greater service of the Government can be rendered than an appropriation now to relieve the pending devastation. Poison bran will do the job, and surely our Government can not stand by and see this scourge and raise not a finger to deter it. Minnesota has appropriated \$100,000 and needs \$150,000 more. North Dakota needs \$400,000, and South Dakota needs \$500,000.

There being no objection, the matters referred to were ordered to lie on the table and to be printed in the RECORD, as follows:

GRACEVILLE, MINN., June 16, 1932.

Senator THOMAS SCHALL,
National Capitol:

Commercial Club, village of Graceville, urges you to make every effort for passage of bill for poison grasshopper bait.

J. F. FAHEY, President.

MINNEAPOLIS, MINN., June 16, 1932.

The Hon. THOMAS D. SCHALL,
United States Senator:

While I am strongly in favor Government retrenchment, believe you should use every effort favoring legislation necessary to furnishing adequate relief for grasshopper prevention in Northwest. Situation rapidly growing worse.

JOHN H. STICKNEY.

MINNEAPOLIS, MINN., June 16, 1932.

Hon. THOMAS D. SCHALL,
United States Senator:

Representing 2,000 retail hardware merchants, we urge you to work for financial aid to fight grasshoppers in the Northwest.

MINNESOTA AND SOUTH DAKOTA RETAIL HARDWARE ASSOCIATIONS.

SAUK CENTER, MINN., June 16, 1932.

Senator THOMAS D. SCHALL,
Washington:

The impending disaster to our agricultural interests from the grasshopper invasion is now so plainly apparent that our organization is keenly aroused to the necessity of our National Government coming immediately to the rescue of our farmers, and for that reason we appeal to you to lend every effort on your part that this shall be brought about.

CARL S. FISCHER,
President Sauk Center Community Club.

MINNEAPOLIS, MINN., June 16, 1932.

Senator THOMAS D. SCHALL,

Senate Office Building, Washington:

We are emphatically convinced beyond any question of doubt that immediate action for poison bait to combat grasshopper plague is necessary. There is time to overcome the great danger confronting us at this time. Reports of this hopper menace are so convincing that delay might further endanger the finances of the whole country. Business will suffer if something is not accomplished at once. Feel that this is a national problem.

MINNESOTA TRUCK OWNERS' ASSOCIATION.

MINNEAPOLIS, MINN., June 16, 1932.

Senator THOMAS D. SCHALL,

Senate Office Building, Washington:

We are emphatically convinced beyond any question of doubt that immediate action for poison bait to combat grasshopper plague is necessary. There is time to overcome the great danger confronting us at this time. Reports of this hopper menace are so convincing that delay might further endanger the finances of the whole country. Business will suffer if something is not accomplished at once. Feel that this is a national problem.

MINNEAPOLIS BUSINESS MEN'S ASSOCIATION.

ST. PAUL, MINN., June 15, 1932.

Hon. Senator THOMAS D. SCHALL,

Washington, D. C.

DEAR SIR: Don't you think it far more economical to appropriate funds now for poisoning the grasshoppers in the Northwest than to make appropriations next fall for taking care of thousands of farmers at a far greater cost, to say nothing of the suffering?

I personally urge that immediate action be taken to save the Northwest.

Yours very truly,

C. C. GRAY,
President Superior Separator Co.

MINNEAPOLIS, MINN., June 15, 1932.

Hon. THOMAS D. SCHALL,

United States Senate, Washington, D. C.

MY DEAR TOM: We in Minnesota are fearful of what is going to happen in the western part of our State, North and South Dakota, and Montana between now and the 15th of July with the grasshopper pest. Unless action is begun at once we will lose the harvesting on one of the best crops we have had in a number of years, and if such a catastrophe happens I do not know what the farmers of this country and the people living in the Twin Cities will do.

We all beg of you to get action on this appropriation for extermination at once.

Very truly yours,

SPRADLIN MOTHPROOF CORP.,
By S. C. CONFER.

MINNEAPOLIS, MINN., June 15, 1932.

Hon. THOMAS D. SCHALL,

Senator, State of Minnesota, Washington, D. C.

DEAR SENATOR SCHALL: We can insure the prosperity of the Northwest this fall at a low rate of \$1 per thousand.

The impending grasshopper scourge threatens to imperil our billion-dollar crop, the first we have had in years. If immediate action is not taken, thousands of farmers will be left without sufficient food for themselves and livestock. We shall have prospects of bare fields, gaunt cattle, and a pall of gloom over the land. Deserted farms, vacated stores, closed banks will be in evidence, and thousands of men and women will give way to despair.

Last year the Red Cross fed 40,000 farmers in the two Dakotas. One-half of the farmers in North Dakota were compelled to borrow from the Government this spring to buy their seed. If we do not meet this emergency, there shall be no harvest; there will be more appeals to the Red Cross; more relief funds requested from the Government, with complete stagnation throughout the Northwest.

Congress has been misinformed regarding this emergency, and there is still time to remedy this disastrous mistake. Poison bait is instantly available to be spread where needed, and we have until the middle of July to fight this impending plague.

Are you willing to act immediately and appropriate \$1,500,000 to save our crop? The result of your action will mean either prosperity or despair.

Yours truly,

A. G. DELANY.

P. S.—This is the Government's opportunity to make the people of this district self-sustaining or force them to accept a dole. Surely the latter course is obnoxious to every self-respecting citizen.

MINNEAPOLIS, MINN., June 15, 1932.

Hon. THOMAS D. SCHALL,

United States Senate, Washington, D. C.

DEAR SIR: As you, of course, know we in the Northwest are faced with a calamity and we urgently request your assistance.

We now have the prospects of a bountiful crop—if the grasshoppers do not get it first.

The help we are requesting from you is that you work for an adequate financial appropriation from Congress to defray the cost of sufficient poison bait to check the spread of these grasshoppers. A comparatively small expenditure at this time will return big dividends to the Northwest if we can arrest this disaster.

We wish to assure you we shall certainly appreciate any effort you put forth toward helping this cause along.

Yours very truly,

THE ST. ANTHONY & DAKOTA ELEVATOR CO.,
H. E. MILLER, Secretary.

KONDON MANUFACTURING CO.,
Minneapolis, Minn., June 15, 1932.

Senator THOMAS D. SCHALL,
United States Senate, Washington, D. C.

DEAR SENATOR: We want you to act quick in helping to do something about the grasshopper menace up here in the Northwest. You need not answer this letter, but act on the subject of getting an appropriation through for a small amount of money to save our billion-dollar crop up here in the Northwest which we need badly.

Sincerely yours,

T. N. KENYON.

MINNEAPOLIS, MINN., June 15, 1932.

Hon. THOMAS D. SCHALL,
United States Senator, Washington, D. C.

HONORABLE SIR: Having an intimate knowledge of conditions in the Northwest we are greatly concerned with your attitude toward an appropriation for poison bait to combat the grasshopper plague. Grasshoppers by the millions are crawling out of the sod in the States of North Dakota, South Dakota, Minnesota, and Montana. We have a billion-dollar crop in sight, the first real crop we have had in years, and unless Congress takes immediate steps to appropriate funds for this purpose our crop will be ruined, more farmers will be bankrupt, additional banks closed, and men and women—the backbone of our Government—will give up in despair.

As the Northwest crop is of vital importance to our country in general, we sincerely urge you to use your best efforts in protecting this crop.

Assuring you that your cooperation will be greatly appreciated, we are

Yours very respectfully,

LAMPERT LUMBER CO.,
Per H. C. MERMAN.

[From the Minneapolis (Minn.) Tribune]

The above picture tells, more graphically than words, the dire peril that threatens the billion dollar crop of the Northwest.

The grasshopper, numbered by billions, with an insatiable appetite, is crawling out of the sod of North Dakota, South Dakota, Minnesota, and Montana.

He is still wingless. He can only move a few feet in a day. Soon he will develop his jumping legs, and his limit of movement will increase. Later he will grow wings and a voracious appetite.

Once he has wings he can mount thousands of feet into the air. He can fly with the winds hundreds of miles in all directions. He can come down in thick clouds on fields and strip them clean of vegetation in a few hours.

He can devour our billion-dollar crop, the first we have had in years. He can leave thousands of farmers without enough for food for themselves and their livestock. Last year the Red Cross fed 40,000 farmers in the two Dakotas. One-half the farmers in North Dakota had to borrow from the Government money this spring to buy their seed.

This year the condition of the crops is excellent—either for the grasshoppers or the farmers. If we let the grasshoppers alone there will be no harvest, there will be more appeals to the Red Cross, more money asked from the Government, and stagnation throughout the Northwest.

A million and a half dollars will save our crop. A misinformed Congress neglected to make the necessary appropriation with which to buy poison bait. Congress can still remedy this disastrous mistake. Congress will do so if the Northwest will only speak its mind. Once Congress makes the appropriation, poison bait is instantly available to be spread where needed. We have until the middle of July to fight the grasshopper.

We can insure the prosperity of the Northwest this fall at the low rate of \$1 a thousand.

If we do not take this precaution we have every prospect of bare fields, gaunt cattle, and a pall of gloom over the land. Deserted farms, vacant stores, closed banks will greet the eye in every direction. And thousands of men and women, the backbone of our Government and the foundation of our institutions, will give way to despair.

Congress must be made to see the picture as it is. The time to act for every individual, high or low, in the Northwest is now.

Wire your Congressman to get busy.

The picture above tells the story.

REPORTS OF COMMITTEES

Mr. REED, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 178) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica, reported it without amendment and submitted a report (No. 838) thereon.

He also, from the same committee, to which was referred the joint resolution (H. J. Res. 138) for the relief of the State of Idaho, reported it with amendments and submitted a report (No. 839) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 4898) amending an act entitled "An act authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State" approved March 3, 1931, reported it without amendment and submitted a report (No. 840) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 17, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia; and

S. 3911. An act to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place NW.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. CARAWAY:

A bill (S. 4899) for the relief of W. M. Cravens; to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 4900) to authorize the presentation of a congressional medal of honor to Charles Cowart, and the posthumous presentation of such a medal to Robert H. Edsall and Nigel Hinton; to the Committee on Naval Affairs.

By Mr. FLETCHER:

A bill (S. 4901) granting a pension to Charles E. Ridenour; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 4902) authorizing the President to present medals in the name of Congress to certain survivors of the sinking of the steamship *Tuscania*; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 4903) for the relief of certain Indians of the Apache Tribe; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 4904) authorizing the Secretary of War to award the distinguished-flying cross to Robert M. Anderson and Woodville J. Rogers; to the Committee on Military Affairs.

By Mr. REED:

A joint resolution (S. J. Res. 179) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Tisheng Yen, a citizen of China; to the Committee on Military Affairs.

By Mr. BROUSSARD:

A joint resolution (S. J. Res. 180) extending thanks in appreciation of services rendered by Hayden W. Wren as superintendent of the docks of the port of New Orleans; to the Committee on Commerce.

PUBLIC-WORKS PROGRAM—AMENDMENT

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program, and providing a method of financing such program, which was ordered to lie on the table and to be printed.

"SHORT SELLING" ON STOCK EXCHANGES—LIMIT OF EXPENDITURES

Mr. NORBECK submitted the following resolution (S. Res. 239), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 84, Seventy-second Congress, agreed to March 4, 1932, hereby is continued in full force and

effect until the expiration of the Seventy-second Congress, and the limit of expenditures to be made under authority of such resolution is hereby increased by \$50,000.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 8681. An act to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship;

H. J. Res. 418. Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; and

H. J. Res. 435. Joint resolution to amend the revenue act of 1932.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia;

S. 3911. An act to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place NW.; and

H. R. 10048. An act granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California.

REPORT OF THE FEDERAL RESERVE BOARD

The PRESIDENT pro tempore laid before the Senate a letter from the Governor of the Federal Reserve Board, transmitting a copy of the eighteenth annual report of the board covering operations for the year 1931, and stating, "Certain exhibits and schedules to complete the report are now in preparation and will be printed later," which, with the accompanying report, was referred to the Committee on Banking and Currency.

INDEPENDENT BIMETALLISM OR BOLSHEVISM?

Mr. WHEELER. Mr. President, I ask leave to have published in the RECORD an article by Hon. Jonathan Bourne, jr., former United States Senator from Oregon, entitled "Independent Bimetallism or Bolshevism?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDEPENDENT BIMETALLISM OR BOLSHEVISM?

The Wheeler bill (S. 2487) providing for the free coinage of silver, as well as gold, at the ratio of 16 to 1, from the economic standpoint is the most important bill that has been introduced in Congress during the present century.

The United States can, should, and will, without the necessitated consent or cooperation of any other nation, remonetize silver on the basis of 16 to 1.

The Wheeler bill (S. 2487) introduced January 4, providing for the free coinage of silver, as well as gold, at the ratio of 16 to 1, is for comprehensiveness, lucidity, and brevity a masterpiece in legislative construction.

From an economic standpoint it is the most important bill that has been introduced in Congress during the present century.

Its enactment into law will do more to extricate the United States and the rest of the world from our present economic and financial chaos than all other suggestions combined. Any plan or bill thus far emanating from our present Executive, members of his Cabinet, Members of Congress, political economists, and so-called captains of big industry are mere makeshifts as compared with the Wheeler bill, S. 2487.

Senator WHEELER's arguments in favor of the enactment of his bill set forth in his speech delivered January 25 in the United States Senate are unanswerable, and his predictions as to the benefits resultant from the enactment of his bill as affecting all classes of our society are most conservative and can not possibly be disproved intelligently by any person.

Nobody thus far has had the temerity to accept Senator WHEELER's challenge, made at the conclusion of his speech, or attempt to disprove the predictions he so clearly sets forth as to the benefits that would result from the enactment of his bill to all classes of our society.

I respectfully urge every reader of this statement to immediately request their Senators and Representatives in Congress to send

them a copy of Senator WHEELER's bill, S. 2487, and his speech delivered in the United States Senate on the 25th of January this year. After receipt and careful study of both, the recipient should be impressed, both from the patriotic as well as the selfish viewpoint, that the happiness, contentment, and prosperity of all classes of our society would be restored and cumulatively increased through the enactment of this proposed legislation.

In the study of this question it is well to remember the following fundamental principles:

First. There is no such thing as intrinsic value as is now conceded by all political economists of note. Neither gold, silver, nor any other commodity possesses an intrinsic value.

Second. Legal tender is that currency, circulating medium, or description of money which by law a debtor may offer and a creditor must receive in payment of debts. In fact, it is the life or essence of money and without it good money could not exist.

Third. The volume of money directly affects the market price of all commodities.

Unnatural expansion in volume inevitably results in inflation in market prices with a tendency to speculation.

Unnatural contraction in volume inevitably results in the deflation of market values with resultant financial and economic chaos followed by unhappiness, suffering, and general discontent.

Stability in prices insuring a minimum price that covers a profitable return to labor and capital associated in the joint effort of production is most desirable for the happiness, contentment, occupation, and fair compensation of all classes of our society.

Stability of exchange for the civilized world must be beneficial not only to our own country but to all civilized nations of the world in their interrelativity.

HISTORICAL FACTS

Accredited records show that since the discovery of America in 1492, down to and including the year 1929, covering a period of over 436 years, there were produced a total for the whole world of 1,041,232,774 fine ounces of gold and 14,729,598,697 fine ounces of silver. In other words, there was a little over thirteen times as many fine ounces of silver produced as there were fine ounces of gold.

Applying our present coinage value (continued under the proposed Wheeler bill) of \$20.67 per ounce for fine gold, the total world's production of gold for this over 436-year period has a monetary value of \$21,525,005,673, and the total world's production of silver during this period of over 436 years has, under the coinage value of our present standard silver dollars \$1.29 29/100 per ounce for fine silver (unchanged under the enactment of the Wheeler bill), a value of \$19,044,329,616.

In the United States the free coinage of both silver and gold as provided for by the act of 1792 was continued unaltered to 1873, although the ratio between gold and silver coins was changed from 15 to 1 as fixed by the act of 1792 to 16 to 1 by the act of 1834 and to 15.988 to 1 by the act of 1837.

Further note that from and including the years 1801 to 1850 the average gold-silver price ratio was 15.7, while the average silver-gold production ratio for the entire world was 28.0. In other words, although the world's production showed that twenty-eight times as many fine ounces of silver as of fine ounces of gold were produced during that period from 1801 to 1850, yet the relative interchangeability the world over of these two metals was 15.7 ounces of fine silver to 1 ounce of fine gold.

Also note that from the period of 1851 to 1875, both inclusive, the average gold-silver price ratio was 15.5 while the silver-gold production ratio was 6.7. That is to say, during this period although there was only 6.7 times as many fine ounces of silver produced as there were fine ounces of gold yet the relative interchangeability between these two metals throughout the world averaged 15.5 ounces of silver with 1 ounce of gold.

The fact that Great Britain adopted gold monometallism in 1816; France in the 1850's; Germany in 1871, in conjunction with the above-stated average in gold and silver price ratio, together with the world's gold-silver production ratios from 1801 to 1875, prove conclusively the ability of the United States by independent action under the enactment of the Wheeler bill, S. 2487, to maintain the parity of 16 to 1 as provided for in said bill.

These above facts also absolutely disprove any claim that the United States under the enactment of the Wheeler bill would become the dumping ground for the world's silver or that silver—the cheaper metal—would drive out gold—the dearer metal (in the frequent attempted misapplication of the Gresham law) for the reason that neither metal would be cheaper or dearer because of the unlimited demand (compared with nature's limited supply) created for both metals resultant from the free and unlimited coinage of same by the United States Mint at the fixed values for each metal as provided for under the Wheeler bill.

The claim of some of the gold monometallists that China, India, and other nations that for many centuries have only known silver as their financial yardstick, would dump their silver on the market of the United States under the enactment of the Wheeler bill is too absurd and asinine to justify even consideration. Imagine these nations, representing far more than half the population of the civilized world—voluntarily divesting themselves of their only known financial yardstick in their domestic or foreign commerce, thereby necessitating cessation of all domestic business among themselves or foreign business with other nations of the world.

Under what is known as the remonetization of silver on the basis of 16 to 1 the Government does not purchase the silver or the gold. It simply receives the bullion at the mint. After

that it is brought to the proper standard of fineness for coins, and if the bullion requires to be refined the Government makes a charge equal to the cost of bringing the metal to standard fineness, that is nine-tenths fine. Then the Government puts its stamp on each piece and turns the coins over to the depositor, and that is all there is to it.

Or the Government may, if it has the coin on hand, at once deliver the coin to the depositor for the bullion; but the Government in no proper sense buys the bullion or does it become the owner of it. The bullion and the coin made from the bullion belong to the depositor.

Separate provision, however, has been made on account of the greater convenience of a paper circulation, for the issue of notes, dollar for dollar, for the coin or bullion which in that case the Government holds in trust for whoever holds the notes or certificates.

In our United States coinage 23.22 grains of fine gold constitute a dollar, namely, \$20.67 per fine ounce for gold and 371.25 grains of fine silver constitute a dollar, or \$1.29 per ounce for fine silver.

The Wheeler bill adopts the same coinage value by providing under section 3 "The dollar consisting of 25.8 grains of gold nine-tenths fine, or of 412.5 grains of silver nine-tenths fine, shall be the standard unit of value, etc."

For many, many centuries silver and gold have been the only primary money metals of the entire civilized world.

There is no known compilation giving the amount of gold and silver in the world at the present time. On January 1, 1930, the total monetary stock of the principal countries of the world on the basis of \$20.67 per ounce of fine gold was \$11,072,370,000 and the total silver stock in banks and treasuries at the same time on the basis of \$1.29 29/100 per ounce for silver was \$4,099,914,000.

The present bullion value of silver in the world's market is approximately 30 cents per ounce. Under the enactment of the Wheeler bill contemporaneously throughout the civilized world silver would have a minimum value of \$1.29 29/100 per ounce and interchangeable with gold throughout the civilized world on the basis of a minimum value of \$20.67 per ounce. This would contemporaneously quadruple the purchasing power of all the silver-standard nations—well over 60 per cent of the civilized world—establish a rigid financial yardstick for international exchange and provide, in my opinion, an unlimited market at a fixed minimum price for all our surplus of raw material and manufactured products of all kinds which would absorb the products of the automobile, electrical, and all other factories for a period of 20 years if run at full capacity, but far greater and more desirable than this, would insure a profitable price to the agriculturists, representing practically 30 per cent of our population, for their products within two years and quadruple the present land values making same desirable collateral instead of undesirable as same have been the past decade or more.

All must concede that our new wealth is produced entirely from the ground and the waters, and unless cost of production and a fair profit are assured we will have no new wealth and ultimately be deprived of the food and sustenance necessary for life itself.

INTERNATIONAL BIMETALLISM

For over 50 years now we have been thrilled or shocked, dependent upon the individual's viewpoint, with rumors of international conferences or international agreements for the remonetization of silver.

Undoubtedly there are many honest advocates of international bimetalism believing that the United States by independent action can not effect a rigid ratio of interchangeability between the two metals.

Historical facts justify the assertion that there are many gold monometallists bitterly opposed to bimetalism not only whether established by international agreement or independent action on the part of the United States, who hypocritically pose as international bimetalists thereby creating a barrage to prevent possible action by the United States alone.

MINE OWNERS APPARENT OPPOSITION TO THE WHEELER BILL, S. 2487

Since Senator WHEELER introduced his bill (S. 2487) on January 4 last and made his very able speech demonstrating the reasons for and benefits that would accrue through its enactment there has been an inexplicable failure on the part of the mine owners themselves to advocate its passage.

Had the individuals controlling the large mining interests of our country immediately rallied to the support of the Wheeler bill (S. 2487) as soon as it was introduced undoubtedly same would ere this have been enacted into law.

Certainly it was reasonably to be expected that both from patriotic and selfish interests this bill should have received such support.

The failure of such a support can only be explained by the following reasons:

First. Possibly because of the large indebtedness to powerful financial interests opposed to bimetalism in any form on the part of some of the large mining companies.

Second. Some of the mining interests while personally favoring the fundamental principles embodied in the Wheeler bill have not believed its enactment possible at this time, and hence, actuated by expediency and the desire for class legislation, as represented in a number of bills thus far introduced in Congress to treat silver, one of their by-products, as a favored commodity, hoping thereby to temporarily, at least, enhance the value of that metal.

A few mine owners and operators express a desire to avoid any odium which may remain from the 1896 W. J. Bryan 16 to 1

campaign, claiming that it would be unfortunate to revive any of the old associations connected with that situation.

This attitude seems to me most untenable. Bryan's nomination in 1896 was due wholly to his speech in the Democratic National Convention advocating the remonetization of silver at 16 to 1. All those now living who participated in that campaign, I think, will agree that 30 days before the election it was generally assumed that Bryan would be elected. I personally know that Mark Hanna himself thought this. I also am reliably informed that \$37,000,000 was expended through the national committee under Hanna's leadership to defeat Bryan in the general election.

If at that time the same economic and financial chaos had existed as does to-day unquestionably Bryan would have been elected in 1896 instead of McKinley.

Bryan's subsequent defeats were due primarily to his ceasing to make the remonetization of silver at 16 to 1 the keystone to the foundation of his campaigns and advocating other issues, some of which the voters evidently thought unsound and undesirable.

The fundamental principles embraced under the Wheeler bill (S. 2487) were in no manner originated by Mr. Bryan. For many years before his nomination in 1896 many prominent Republicans had advocated the remonetization of silver by independent action of the United States at the ratio of 16 to 1, such as Speaker Blaine, Senators Teller, Wolcott, Jones, Stewart, Congressman McKinley, and many others.

In the United States to-day there are probably now living over a million of the old Bryan Democrats, silver Republicans, and Populists who were politically active in the 1896 campaign. These are all vitalizing agencies well scattered over the country who would not have to be educated as to the desirability and necessity of the enactment of the Wheeler bill.

With due appreciation of the ability, ingenuity, and much valuable information contained in the various bills which have been introduced and plans which have been suggested to the country by Senators PITTMAN and DILL and Messrs. Brownell, Leon, and Channing I assert that they are all fundamentally unsound and do not at all reach the crux of the question in stabilizing exchange between the silver standard and gold standard nations. They contemplate class legislation presumably in favor of the mine owners. Take, for instance, the Brownell plan. If adopted, it would unquestionably for some time to come increase the bullion value of silver in the United States, Mexico, Canada, and Australia, the four countries whose cooperation is contemplated under such plan if adopted. This plan would also increase in other countries the bullion value of silver to the extent that the supplies of the four countries covered under same were taken out of the world's market but under the Brownell and these other plans gold only is treated as a primary metal while silver is discriminated against as a temporarily favored commodity. Gold would remain at \$20.67 per ounce as measured by itself but still steadily, though not as rapidly as at present, increase in value in its exchangeability for all other commodities.

Gold would have an unlimited demand, compared with nature's limited supply, created for it in its monetary use at a fixed price, while silver would have a limited demand created for it in its partial monetary use at a fluctuating price dependent upon the world's bullion value of silver.

For over 55 years I have been somewhat of a student of this question and a consistent advocate of the United States by independent action remonetizing silver at the ratio of 16 to 1 as contemplated under the Wheeler bill, S. 2487. In my humble opinion, the Pittman, Dill, Brownell, Leon, and Channing plans do not deal with the fundamentals of this question but are evidently formulated and suggested with the desire of temporarily increasing the bullion value of silver, one of the by-products of the mining interests, in this country rather than establishing the stabilization of exchange and securing a permanent financial yardstick applicable to our domestic as well as to the whole civilized world's international commerce.

Many months and possibly years of educational work would have to be expended to crystallize public opinion around the Pittman, Dill, Brownell, Leon, Channing, or other plans that are now before the country and further years of delay would be necessary before possible beneficial results could accrue to the mine owners in the permanent enhancement of the bullion value of silver principally a by-product and then no permanent stability of exchange would result as between silver standard and gold standard nations.

Neither agriculture nor any other class of our society would be permanently benefited and neither would the mine owners themselves be benefited except by a temporarily increased demand for their silver bullion, principally a by-product.

16 TO 1 RATIO

In the United States at the end of the calendar year 1929 we had silver stock in banks and treasuries of \$855,498,000 estimated on our coinage value of \$1.29 29/100 per ounce for fine silver.

If there were any change in ratio, then the total world's production of both gold and silver during the past 436 years would justify the adoption of a ratio of 14 to 1 but such an action, while making the bullion value of silver practically \$1.47 per ounce for fine silver as compared with \$20.67 per ounce for fine gold, would hardly justify the expense and annoyance incident to recoining our stock of silver dollars and subsidiary coin now in existence in the United States.

FUNDAMENTALS OF BIMETALLISM

The fact that the greater portion of the civilized world is on the silver standard and a very small portion of the civilized world now supposedly on the gold standard:

The fact that for many, many centuries silver and gold have been the only financial yardsticks of the civilized world:

The fact that the gold yardstick has been steadily increasing in its exchangeable value for all commodities and the silver yardstick has been decreasing in its exchangeable value for all commodities are the underlying reasons necessitating the earliest possible enactment of the Wheeler bill, in order to establish throughout the civilized world a common yardstick whether made of gold or silver in their exchangeability at a fixed price for each one with the result the world over of one financial yardstick, whether of gold or silver, to measure domestic commerce and international commerce and establish fixed international exchange.

Within one year after the enactment of the Wheeler bill, without any modification or amendment, into law Great Britain, France, Germany, and other European nations would be forced no less volens to adopt the bimetallic standard or lose their world's trade with the silver-standard nations.

Thus no international conference or agreement, with their resultant delays, would be required.

It is estimated that our present National, State, municipal, county, corporate, and individual indebtedness in the United States is over \$150,000,000,000, most of same being payable in gold. We are informed that we have in the United States less than \$4,000,000,000 in gold.

Less than \$4,000,000,000 of gold as the keystone of the arch on which an indebtedness of over \$150,000,000,000 must rest inevitably, must ultimately result in financial disaster, unless this keystone be increased in relative size and stability which can only be accomplished by the earliest possible remonetization of silver on the basis of 16 to 1 by the United States without waiting for the consent, assent, or cooperation of any other nation on earth.

How can this best be accomplished?

Let Congress pass the Wheeler bill this session, and if vetoed by the President pass it over his veto.

Should this Congress fail to do this, then make the enactment of the Wheeler bill (S. 2487) a major issue in every congressional district in our country. Let every agricultural, labor, and commercial organization in the United States bring up this subject for intelligent discussion and issue a mandate by resolution to their Senators and Members of Congress instructing them to vote for this bill.

Request the nominees for the Presidency and Vice Presidency of both the Republican and Democratic Parties to declare their attitude on this question and pledge their honor if elected to sign the Wheeler bill if enacted by Congress and support in November the nominees giving such a pledge.

Should any of the public servants elected to the Presidency or Congress fail to obey the mandates of their constituents, then defeat them at the next opportunity for reelection.

Numerous plans have been suggested for increasing the volume of our currency.

Some advocate large bond issues with tax-exempt features and a rate of interest sufficiently attractive to insure their purchase.

Some advocate large governmental issues of currency bearing no interest; and in a study of this phase of the volume of money it is well to remember the experience of the German mark and the Russian ruble.

According to John Hix, a letter mailed from Berlin to London in 1923 bore postage costing 80,000,000,000 marks, once equal to \$19,000,000,000.

Unlimited use of the governmental printing press must inevitably result ultimately in financial disaster to our country.

Unquestionably expansion in the volume of our currency would temporarily result in increased prices, but not necessarily values, for all commodities of which we produced no surplus for export, but would not correspondingly increase the world prices for commodities produced in other countries. No stability of international exchange would be assured. The cost of production would be increased in our own country, but the price of production in the rest of the world would in no manner be enhanced.

The enactment of the Wheeler bill only can bring about stability in international exchange, a resultant certainty of the establishment of prices and values for our agricultural products covering cost of production with a fair profit to the producer and minimize the ability of a few through control of banking or governmental operations to regulate the volume of currency or financial yardstick necessary for domestic and international commerce.

For many, many centuries the only primary moneys in the world have been silver and gold.

History shows for thousands of years that the money changers have tried to control the financial yardstick tokens of barter and exchange for both domestic and international commerce with the expectation that by so doing they could control world prices.

During the last century the Rothschild family dominated the finances of Europe, thus indirectly dominating the finances of the rest of the world.

Many think that with their ownership and control of the then known large gold mines in the world that in 1816 they forced Great Britain off the bimetallic and to the gold standard with the expectation of ultimately regulating and controlling the financial yardstick by making only one, namely, the gold yardstick, instead of two, namely, the silver and gold yardstick—the same influence forcing France to the gold standard in the 1850's, Germany in 1871, and the United States in 1873.

Theoretically it might be temporarily possible for 20 or 30 individuals, if they controlled the United States Federal Reserve Board, the Bank of England, the Bank of France, and the Bank of Germany, to enter into a conspiracy to regulate the volume of the world's currency, thereby resultantly controlling the prices of the world's commodities, so vitally affecting the happiness, contentment, occupation, and prosperity of the world's population.

If successful in effecting such a control, by expanding the world's currency they could inflate prices of all world's commodities and then distribute as fictitious values the securities which they had accumulated. After such accomplishment they could then decrease the volume of money, thus resultantly deflating or diminishing the prices of all world's commodities, with resultant greatly diminished prices in securities and then buy back at bargain sales the securities that they had distributed previously at inflated prices.

If such a conspiracy existed and continued unchecked this expansion of the volume of money with increased prices and distribution of securities held by the few followed by a period of decreased volume of money with resultant decreased prices of all the world's commodities with reaccumulation of securities at bargain prices would ultimately result in all the people outside of the few conspirators becoming practically vassals and peons, with the inevitable result that the people themselves would rise up in their wrath and take from the conspirators their wealth and probably their lives.

Is it possible that during the past century and a quarter these influences have tried to force gold monometallism upon the world and prevent the remonetization of silver at the ratio of 16 to 1 with its resultant doubling of the world's primary money, because their efforts to control the volume of currency must be minimized under bimetalism for the reason that nature herself has limited the supply of both metals and their scarcity and the expense incident to their production into bullion thus absolutely preventing an overproduction of either metal or a regulation by man as to the volume of production as long as both are used for money at a fixed standard of valuation?

At the conclusion of his speech of last January 25, Senator WHEELER issues the following challenge:

"I assert—and challenge intelligent criticism, not mere denial—of the following statements:

"First. The enactment of my bill into law would immediately thereafter nearly double the volume of the world's primary money, with the resultant increased conservative credit basis of twenty times the amount of primary money thus added to the world's stock.

"Second. Within one year after the enactment of this bill the world's price of wheat, cotton, and all agricultural products would be more than trebled.

"Third. The purchasing power of over 50 per cent of the entire world's population now using silver as their sole yardstick of exchange and business transactions would contemporaneously be quadrupled; that is, the value of the silver stock would increase from 30 cents to \$1.30, resulting in the creation of a market which would more than absorb all the surplus of our raw materials and manufactured products.

"Within two years all our present agricultural land values throughout the United States would be more than quadrupled, thereby transforming the present frozen assets of the country banks in agricultural communities into liquid assets.

"The unemployed-labor problem would be rapidly solved.

"Both labor and capital would be benefited.

"Contentment, happiness, and lucrative occupation would be substituted for discontentment and despair, with their inevitable resultant tragedies to follow.

"It would relieve starvation in the midst of plenty.

"This legislation would do more than all suggestions heretofore combined toward reviving, encouraging, vitalizing, and resuscitating business in this country and throughout the world.

"The market prices of securities, especially the common stocks of all corporations enjoying honest, efficient managements and being properly financed, where listed on some of the great stock exchanges of this country, would almost contemporaneously show increased activity and market value.

"Mr. President, when we realize and when most of us know that there is a shortage of gold and what there is is maldistributed; when we realize that there is the one basic fact that is causing this depression, why is it that we do not have the courage to meet the issue squarely? Are we afraid of these international bankers in New York, who have done more than any one else to bring about the present condition of this country? Is that the reason why we are afraid to tackle the real problem that confronts the Nation?

"When we know what is wrong with the country and what we can do to remedy it, are we going to sit idly by and do nothing merely because the remedy we could apply is opposed by a little handful of bankers who at the present time, through regulating the quantity of money, can regulate the price of commodities?"

Thus far I have seen no acceptance of the challenge or attempted refutation of his statement, and I am convinced that his predictions as to the benefits resultant from the enactment of his bill as affecting all classes of our society are most conservative and can not possibly be disproved or intelligently discredited by any person.

When Senator WHEELER introduced his bill S. 2487 in the Senate he requested it be referred to the Finance Committee. On January 11 same was referred to the Treasury Department with the request for a report from that department on said bill.

During my six years' service in the Senate followed by nearly two years more as chairman of two joint congressional committees I was cumulatively impressed with the improbability of a Member of Congress securing a favorable report from any of the departments of the administrative branch of our Government unless such bill increased the powers either in authority or appropriations of one or more of the governmental departments.

Believing that many of our present Members of Congress hold similar views based upon similar experiences, it seems appropriate to quote herein the department's reply of January 30, signed by A. W. Mellon, Secretary of the Treasury, in its letter to Hon. REED SMOOR, chairman of the Committee on Finance in the United States Senate.

"In response to your request of January 11, 1932, for a report from this department of bill S. 2487, 'To establish a bimetallic system, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes,' the following is submitted:

"Bill S. 2487 proposes that both gold and silver shall be legal tender in payment of debts in this country and shall constitute the country's monetary standard, at a relative valuation of 16 to 1; that is, that 16 ounces of pure silver shall be legally equivalent in value to one ounce of gold, and that both gold and silver shall be freely coined in the United States Mint at this ratio.

"In the markets of the world silver is quoted in terms of gold at a ratio of more than 60 ounces of silver to 1 ounce of gold. The passage of the bill in question would give the status of a standard monetary unit to a dollar consisting of silver in the amount of only sixteen times the weight of gold, which now constitutes the standard dollar; this would place a value upon silver which is nearly four times as great as its present value in the open market in relation to gold. If such legislation were to be enacted silver would be offered to the Government in large quantities for coinage at the proposed artificially high price for silver. Gold would immediately be withdrawn from our currency, and bank reserves for hoarding and for export, and silver soon would become the country's sole effective standard of value. It seems hardly necessary to present arguments against the substitution of a silver for our present gold standard.

"The Treasury strongly recommends against favorable consideration of bill S. 2487."

Presumably this letter was signed perfunctorily by Mr. Mellon after directing some subordinate in the Treasury Department to prepare an adverse report to the Wheeler bill, S. 2487.

Let us analyze this letter.

Paragraph 1 simply repeats the caption to the Wheeler bill.

Paragraph 2 is a condensation of the context of the bill.

Paragraph 3 is supposedly the crux of Mr. Mellon's objection to the enactment of this bill. He says, "In the markets of the world silver is quoted, in terms of gold, at a ratio of more than 60 ounces of silver to 1 ounce of gold." How gratified Members of Congress must be for this information so readily obtainable from any newspaper containing stock reports. In the next sentence he says, "The passage of the bill in question would give the status of a standard monetary unit to a dollar consisting of silver in the amount of only sixteen times the weight of gold, which now constitutes the standard dollar; this would place a value upon silver which is nearly four times as great as its present value in the open market in relation to gold." This is exactly what the Wheeler bill, if enacted, proposes to accomplish. The concluding three sentences of Mr. Mellon's third paragraph and his objections as contained therein can not be justified by historical facts, logic, reason, or ordinary intelligence.

He says, "If such legislation were to be enacted, silver would be offered to the Government in large quantities for coinage at the proposed artificially high price for silver." From what source would these large quantities of silver come? Would the silver-standard nations, now representing over three-quarters of the population of the civilized world, voluntarily divest themselves of their only known financial yardstick (silver) in their domestic or foreign commerce, thereby necessitating cessation of all domestic business among themselves or foreign commerce with other nations of the world? Certainly not.

Mr. Mellon says, "Gold would immediately be withdrawn from our currency and bank reserves for hoarding and for export, and silver soon would become the country's sole effective standard of value." History absolutely refutes this mere personal opinion of Mr. Mellon, for during the period from 1792 to 1873 no such experience resulted in this country, although the United States during that period enjoyed the free coinage of both silver and gold, as provided for under the Wheeler bill, S. 2487.

Mr. Mellon concludes paragraph 3 as follows: "It seems hardly necessary to present arguments against the substitution of a silver for our present gold standard."

In the first place, the Wheeler bill does not contemplate nor provide for a silver standard, but for a bimetallic standard of both gold and silver at a fixed minimum value for each metal, namely, \$20.67 per ounce of fine gold and \$1.29 29/100 for an ounce of fine silver.

In the second place, Mr. Mellon neither has nor can he present intelligent arguments against the soundness of the Wheeler bill or the desirability of its earliest possible enactment into law.

Probably the real objection of the Treasury Department to this bill is a realization of the fact that nature's supply of both metals can not be regulated by man as well as centralized power in a few individuals may regulate the operations of the printing press as to the supply of the Nation's currency.

The volume of primary money which only controls values necessitates the cooperation of both nature and mankind. While the volume of other money does temporarily affect prices, it does not necessarily affect actual value, and can, as is now the case, be controlled by a few individuals through our present centralized power in our Federal Reserve Board.

If those Members of Congress possibly influenced by pride of authorship, personal jealousies, or advice of certain international bankers will now rally to the support of the Wheeler bill, S. 2487, it can readily be enacted this session of Congress and resultantly emancipate our people from the present era of selfishness, cowardice, and stupidity from which we are now suffering.

JONATHAN BOURNE, JR.

WASHINGTON, D. C., June 15, 1932.

TRIBUTE TO VICE PRESIDENT CURTIS

Mr. BLAINE obtained the floor.

Mr. LEWIS. Mr. President, will the Senator from Wisconsin, before he enters upon a discussion of the pending bill, give me a second?

Mr. BLAINE. I yield.

Mr. LEWIS. I wish to acknowledge my indebtedness to the eminent Senator from Wisconsin, who is about to address the Senate on a very great measure.

I pause at this second to take advantage of this opportunity to express felicitations to the President of the Senate, serving as the Vice President of the United States, upon his being renamed as a nominee of one of the great political parties of the country, and to say that I feel I express the voice and the feeling of all the Senate that, whatever political view may be existing now or shall be expressed in the matters of a political campaign, the utter fairness, the desire for complete justice, the constant courtesy, and the considered civility which have always been extended to the Members of the Senate by the head parliamentary officer, the present Vice President of the United States, and now again the nominee, deserve grateful acknowledgment. This particular certificate I am sure the Senate delights to give in its felicitations to this officer upon the honor received at the hands of his great political party.

The VICE PRESIDENT. The present occupant of the chair thanks the Senator for his kind words.

ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates.

Mr. BLAINE. Mr. President, prefacing my remarks upon the bill now before the Senate, I desire to state that I am no new convert to the proposition of paying the soldiers' adjusted compensation in cash immediately. My position has been from the beginning that the obligation recognized by the Government of the United States through Congress ought to have been paid promptly. The fact that past Congresses have not seen fit to direct the payment of that obligation is no argument now why this Congress should not direct the payment of the obligation.

There is no one who denies the obligation. The Congress of the United States has determined that there is an obligation upon the Government of the United States, not only by a majority vote of both Houses of Congress but also by a vote of two-thirds of each House of the Congress when the original law was enacted in 1924.

Therefore, Mr. President, I need not discuss the validity of that obligation. The Government of the United States has confessed judgment. It is now estopped from denying that obligation. The only question now before the Congress is whether or not we will pay now or wait until 1945.

I desire to consider, calmly and dispassionately, the provisions of the bill which passed the House of Representatives, with respect to its effect upon the monetary system of the United States, upon the credit of the United States, and from the standpoint of the security of the United States.

The main plea that has been made to deny the payment of the adjusted compensation has been that it would threaten the financial standing and the credit of the United States. If such a plea had any basis whatever, it is now too late to set up such a plea. If that plea has any basis whatever, the Congress of the United States has been dere-

lict in its obligation and duty toward the financial structure of our Government for the last 12 or 14 years.

If the Congress has made mistakes, if the Congress has made authorizations and appropriations which have threatened the financial integrity of the United States, that plea should not now be entered to deny the obligation into which the Government entered with the 4,000,000 men who served in the late war.

I desire to point out, as I said, calmly and dispassionately, the financial situation of the United States respecting its currency and its circulating medium. The daily statement of the United States Treasury, the last one I have been able to obtain, is dated June 13, 1932. That statement discloses the reserve that is back of our currency issue, and, as I will be able to demonstrate, this proposal to issue \$2,400,000,000 of notes of the Government of the United States backed by an equal amount of bonds to guarantee the payment of those notes will in no way affect the credit or financial stability of the United States.

This is no new proposition. I find that there were outstanding on June 13 silver certificates, dollar bills, and \$5 silver certificates, to the amount of \$488,222,175. I find that there is deposited silver coin as a reserve against those silver certificates amounting to \$501,073,417, which, on the date of this financial statement, were worth less than 28 cents on the dollar. In other words, there are in round numbers \$350,000,000 of silver certificates without reserve. There is not even a guaranty back of them by way of bonds of the Government of the United States, such as is proposed in this bill. I repeat, there is \$350,000,000 without a single ounce of intrinsic value in coin to sustain that enormous sum.

In addition to that, the United States Treasury statement discloses that there is \$737,908,553 in national-bank notes outstanding on June 13, 1932, back of which is not a single ounce of gold and all of which rests exclusively upon Government bonds bearing a low rate of interest. There is nearly \$740,000,000 in circulation of a currency of an identical character as is proposed by this bill. It is issued by the national banks. Under this bill the notes would be issued by the Government of the United States. That is the only difference. Both of them are guaranteed by the bonds of the United States.

In addition to these amounts the same statement of the Treasury Department discloses that there were \$346,681,016 of United States notes and \$1,222,550 of Treasury notes of the 1890 issue outstanding—almost \$350,000,000 of the United States notes and Treasury notes, back of which there was a gold reserve of only \$156,000,000 in round numbers, or another \$200,000,000 of circulating medium that we have to-day. Nothing but the honor and integrity and financial power of the Government is back of that \$200,000,000.

These three items aggregate in round numbers \$1,300,000,000 of circulating medium, currency, and silver coin, without any security other than the promise of the Government of the United States either by law or under bonds which have been issued.

If the \$2,400,000,000 proposed to be issued by this bill is dishonest money, then the \$1,300,000,000 that are circulating to-day are dishonest. Yet despite the fact that there is \$1,300,000,000 in circulation to-day of a currency without any reserve in gold or otherwise back of it, the financial stability of the Government and its credit have not been put in jeopardy.

But those are not the only sums, Mr. President. Those represent only a portion of the amount of currency that is in circulation or in anticipation of circulation against which there is not a single dollar or a single ounce of gold reserve. We have the Reconstruction Finance Corporation. Congress has empowered that corporation to issue \$1,500,000,000 in bonds guaranteed by the Government of the United States. Every dollar of bonds that may be issued under that act will be an obligation of the United States of identically the same character as would be the \$2,400,000,000 proposed by this bill.

Mr. President, if there is, or if there has been, any danger that might affect the credit or the financial sta-

bility of the United States, why did those who now oppose this bill vote to obligate the Government of the United States for \$1,500,000,000 of the same character of obligation as is proposed in this bill. Ah, Mr. President, when that bill was before the Congress the Congress was thinking in terms of property and not of human beings. When the Congress of the United States voted to obligate the United States for \$1,500,000,000 for the Reconstruction Finance Corporation, it was voting then to extend the credit of the Government for the benefit of whom? For the benefit of railroads, banks, and insurance companies. When the Congress was passing that bill we heard no voice here warning the Congress that we would endanger the financial integrity and credit of the United States. There was no voice here warning the Congress that we would debase our currency if we passed such a bill.

And yet, Mr. President, I challenge any Senator to point out the difference between the obligation of the United States under the Reconstruction Finance Corporation act and the obligation of the United States under the bill now before the Senate. There is no difference. There is no distinction except in name. Ah, there is one difference! The funds of the Reconstruction Finance Corporation were designed for the railroads and the banks and the insurance companies and for the House of Morgan, while the obligation of the Government of the United States under this bill is designed for the relief of human misery. That is the difference. It is a vast distinction when we come to the human element.

The advocates of the Reconstruction Finance Corporation act told us that we are loaning that money to the banks and to the railroads. Loaning it? Yes; technically we are loaning it for a period of five years. We have loaned millions of dollars to the railroads, a large portion of which has gone to J. Pierpont Morgan & Co. for the purpose of retiring obligations which Mr. Morgan's company held against the railroads. Other millions of the Reconstruction Finance Corporation have gone to banks.

Let us look at the railroads for just a moment. What assurance has the Government of the United States that that money will ever be repaid? Daily and weekly the carloadings are becoming less and less. More men upon the railroads are being thrown out of employment. As we see it to-day, there is no hope that the railroads can ever make a return sufficient to discharge their indebtedness.

Now let us see about the banks. The loans which have been made to the banks of the country are loans made upon security, it is true, but what security? The security came from the banks, obligations that they held against debtors of the banks. Those obligations owing the banks and which are now deposited with the Reconstruction Finance Corporation as security for the Government loans, came, or the money to furnish the original loans came, from the depositors in those banks. The securities that are required of course are ample to protect the Government of the United States—at least I assume they are ample; but what is going to happen to the banks when they are unable to pay the loans which they have obtained from the Reconstruction Finance Corporation? Surely the banks will not be able to pay those loans out of profits. That must be obvious to everyone. Then those loans can be paid only out of money of the depositors in the banks.

When the day comes for a settlement of those bank loans one need not be a prophet clearly to appreciate that those banks will find themselves in a condition far more serious than on the day they obtained the loan, with the result that the most valuable assets of the banks will be in the hands of the Reconstruction Finance Corporation. That corporation will have a preference; the obligations owing that corporation by the banks must be first paid. So, Mr. President, out of the return of this money to the Reconstruction Finance Corporation will come another period of bank failures and bankruptcies.

What is going to happen when that time comes? Mr. President, you know and I know what will then happen. You know and I know that the Government of the United States, through this Government corporation, will not at-

tempt to collect those loans. You know and I know, just as well as we know we are here this afternoon, that when the time comes to collect the debts against the railroad companies the Congress will not throw those railroads into bankruptcy and throw the banks into insolvency. That means either a cancellation of all those loans or a long period of moratorium. Of course, the funds supplied by the Reconstruction Finance Corporation are only loans, but is there anyone here in the Senate who believes that there is going to be an upturn in our affairs within the period when these loans must be paid? If there be such persons, then, Mr. President, I think they are clinging to a mere phantom—a phantom of hope—and our experience will be one of despair.

Mr. President, however that may be, the obligations of the Reconstruction Finance Corporation of \$1,500,000,000 are obligations of the Government of the United States, identically the same as will be the obligation of the United States under this bill. There is no difference in character so far as the financial standing and credit of the Government are concerned.

But that is not all. The House of Representatives passed what is known as the Goldsborough bill, which provides for the issuance of additional currency through the Federal reserve system. The Committee on Banking and Currency of the Senate in reporting that bill to the Senate incorporated in it an amendment by the Senator from Virginia [Mr. GLASS] which provides for the issuance of at least \$1,000,000,000 of national-bank notes without any credit other than the obligation of the United States, exactly the same security and the same obligation as is contained in this bill—bonds of the United States.

Now let us analyze some of these financial proposals just a little further. Under the Glass-Steagall bill, passed by the Congress in 1932, there is provision for an almost unlimited issue of circulating medium, 60 per cent of which is of identically the same character as is proposed in this bill. There is 40 per cent of gold, of course, as a reserve back of the circulating medium authorized under the Glass-Steagall bill, but 60 per cent of that medium, the greater part of it, has for its soundness and its stability only the soundness and stability that go with the Government of the United States—none other. That is identically the same standing and soundness, it is identically the same character of credit, identically the same character of obligation, identically the same protection as in the case of the issuance of the \$2,400,000,000 under this bill.

Let me say here, Mr. President, that the bonds or obligations of the United States that are to be issued under this bill are to be deposited with the Federal reserve system and by that system sold as it may become necessary to sustain the market value of the obligations of the Government and prevent undue inflation. It is true that the same end could be accomplished by another means. The Government of the United States could issue \$2,400,000,000 in bonds, sell those bonds, obtain the cash, and pay the soldiers' adjusted compensation. That is one way. It is proposed in this bill, however, that the other method shall be observed; but no matter which method may be employed the result is identically the same.

Mr. President, I have pointed out that there is \$1,300,000,000 of the circulating medium, the security for which is none other than the obligations, the bonds of the United States or an obligation under the law, and of that \$1,300,000,000 there is over half a billion dollars for which there is no obligation on the part of the Government except the obligation that obtains through its honor and its integrity as written into the law. There are no bonds issued as a reserve or a guaranty for the payment of the \$550,000,000, as I pointed out earlier in my remarks.

Now, let me analyze this just a little further. Mr. Goldenweiser, director of research statistics of the Federal Reserve Board, testified before the committee in the House as follows:

I have some figures here that will interest you. It shows that of the five and a half billion dollars of currency outstanding, there is about \$750,000,000 in the banks, and about \$1,250,000,000 probably still in hoards accumulated in the past 18 months and

about \$500,000,000 also in hoards but not created in this panic; just ordinary hoards, people having a little nest egg tucked away. There are about three hundred millions that are abroad, of which one hundred millions are in Cuba and two hundred millions in other countries, and about \$100,000,000 has been destroyed. So that the total amount of money that does not do any actual business is \$2,900,000,000 and the active money is about \$2,500,000,000.

Of that active money, of that two and a half billion dollars, \$1,300,000,000 has no security, no gold reserve back of it, no coin, nothing of intrinsic value, nothing other than the obligations of the United States in the form of bonds or by operation of law.

So, Mr. President, when we analyze the real condition of the circulating medium of the country we at once appreciate that we are here creating a circulating medium backed by an obligation, namely, Government bonds, that is of the same character as the obligation back of the outstanding \$1,300,000,000 to which I have referred.

Moreover, Mr. President, under this bill it is provided that the Treasurer of the United States shall issue these bonds at a rate of interest of 3½ per cent, which rate will sustain the value of the bonds on a parity with existing Federal bonds.

Mr. President, after the issuing of the United States notes these bonds of an equal amount are to be deposited with the Federal reserve banks as the agents of the United States in approximate proportion to their current issue at the date of the passage of this bill, and then the Federal Reserve Board is directed to dispose of those bonds, or a portion of them, as from time to time it may be desirable or necessary. In other words, instead of disposing of the bonds and throwing \$2,400,000,000 of Government securities upon the markets all at one time, it is proposed that these bonds may be sold from time to time, and thus preserve and stabilize a healthy market for United States bonds.

That means a monetary system far more stable than are the silver certificates, than are the United States notes that are now outstanding, commonly known as greenbacks, or at least as stable, with the exception of the \$152,000,000 in gold reserves; as stable as are our national-bank notes; in fact, of a similar character and stability as is now the greater portion of our active circulating medium of exchange.

So much with respect to the method designed for raising the cash with which to pay the soldiers' adjusted-compensation certificates.

Now, I desire to turn my attention to the righteousness of the proposal.

As I said at the opening, the Government has settled the policy that there should be paid adjusted compensation. I do not contend that the Government afforded a compensation for soldiers that was on a parity with compensation paid to civilians during the war. I think that the Government, when it passed the soldiers' adjusted compensation act, drove a hard bargain against the soldiers of the country. The bill originated in the House of Representatives. It went to the floor of the House under a rule which prevented the submission of any amendments. The great financial organizations, the powerful vested interests of this country, who then controlled the Congress, saw to it that the Congress should take that bill or no bill; that the House should vote that bill without the crossing of a "t" or the dotting of an "i." It was under those circumstances that the bill passed the House of Representatives; and, of course, that gave these powerful, sordid, selfish interests of the country the opportunity to drive a hard bargain against the men who served their country in the World War.

Mr. President, equality and justice often becomes comparative; and at the risk of repeating much that has been said by other Senators who have preceded me in this debate, I shall not forego the opportunity to point out, by way of comparison, the injustices and the inequalities in which the Government has been engaged respecting the treatment of the men who fought the war and the men who profited out of the war.

Mr. President, had the Government of the United States demanded payment of our foreign debts, had America demanded payment from foreign governments in an amount equal to the obligations the Government of the United States

assumed respecting the World War, this adjusted compensation could have been paid fivefold out of the money owing to America by foreign nations.

The junior Senator from Nebraska [Mr. HOWELL], than whom there is none more familiar with the status of foreign debts and who has made a close analytical study of foreign debts, on May 27, 1932, summarized the debt settlements. I will quote but a portion of his remarks made in the Senate. He said, referring to the foreign governments:

Their debts, exceeding \$12,000,000,000—or, to be exact, \$12,090,667,000—were canceled, the debtor nations agreeing merely to help us out in paying interest on the money we had borrowed to loan them. Yes; and all they are to pay, taken together, is the equivalent of less than 2% per cent interest annually for 62 years on this \$12,000,000,000. Then they are through. We must pay the \$12,000,000,000 without help, and also the difference between this 2% per cent interest and the interest we are paying on the money we borrowed to loan them.

The cancellation of over \$12,000,000,000 owed by the foreign governments to the United States!

Is there any justice, is there any equality recognized in our Nation when we give away to foreign nations \$12,000,000,000 and then deny this meager, measly amount of \$2,400,000,000 to our soldiers?

And that is not all. Let us carry this comparison a little further. We will then have some conception of the manner in which we treat human beings here at home and the generous treatment we give to foreign nations and to special interests in our own country.

Before leaving this question of foreign debts, do not forget that our cancellation of those debts owed America was not only for the benefit of European countries, but also for the benefit of international bankers residing here in America. Those same foreign governments or their industries had borrowed billions of dollars, made private loans here in America, loans furnished by the international bankers; and if those international bankers could procure a cancellation of the amount owed to the American Government by foreign nations, then, of course, that would enhance their opportunity to receive payment from foreign governments on their private obligations.

As the able Senator from Indiana [Mr. ROBINSON] said, we settled the war contracts. We paid in cash. We did not wait 15 or 20 years, or 27 years, in fact, as is proposed by the adjusted compensation law.

The settlement with the war contractors was made as the war came to a close, or within a short time after. So the great Government of the United States, our generous Congress, appropriated some \$3,000,000,000 for the benefit of war profiteers, \$3,000,000,000, a sum in excess of the amount proposed to be paid to the soldiers under this bill.

Mr. President, let me emphasize that when the Congress paid on those war contracts property was involved. Do not forget now that human life is involved.

Then the same generous Government, acting through a generous Congress, very shortly after the close of the World War, either by gifts or by loans, advanced to the railroads of this country \$2,000,000,000, a sum almost equal to the amount proposed by this bill.

That is not all. Property not being satisfied, property demanding more payments, property, represented by the railroads of this country, is now knocking at the doors of Congress to have returned to them \$360,000,000 under the recapture provision of the Esch-Cummins law, and, if I mistake not, if that bill can be brought before the Congress, those powerful interests will have no need of sending here an army of men to plead with the Congress to be generous with the railroads. There will be found lobbyists just outside the door, not in hundreds, not in thousands, but clever, scheming, dangerous men, a menacing influence to a free government will occupy only a seat or two in the waiting room of the Congress, and there command a supine and spineless Congress to bend its knees and lift its voice and vote millions for the benefit of the railroads.

Not long since there was a bill before the Senate proposing an appropriation of \$125,000,000, of money that belonged to the people of the United States, to be turned over to the banks of this country. That is not a large amount,

but the banks of this country, the large banks, the 1 per cent of the banks which control almost 99 per cent of the banking assets, are demanding that the Government pay into an organization for their benefit \$125,000,000, and I understand with the recommendation and approval of the Secretary of the Treasury of the United States.

Mr. President, I have briefly outlined some of the proposals in the past, some of the accomplishments in the past, some of the appropriations in the past, which have taken millions upon millions of dollars, the aggregate of which would have paid the soldiers' adjusted compensation many times. When those appropriations were put through there was no Committee on Finance warning the Senate or the Congress or the country that those proposals would threaten the financial structure of the Government and menace the credit of the Government. Oh, no; property interests were then involved. We were then worshipping at the golden shrine. But it is a different picture now.

When it is proposed to relieve human agony, human misery, human distress, ah, the specter is raised, and it is said that if we issue bonds we are going to menace the financial integrity of our country. But, Mr. President, I put this proposition as contained in this bill upon some other ground than relief. The Government owes an obligation, recognized and confirmed by law. When the Government recognized that obligation, it drove a hard bargain against the soldiers.

The time has now come, however, when there is agony, when there is distress, when there is hunger abroad in the land, when there is unemployment, and when, it was admitted by opponents of this bill in the House, 30 per cent of the former service men are without work. They have joined the great army of unemployed.

The question in this instance, Mr. President, as I said, is not a question of relief fundamentally. Of course if this bill is passed, out of this bill will come relief, but, as I maintained here this afternoon, now is the time when the American Government should discharge the obligation into which it entered in 1924. It should discharge that obligation, because now is the time when the veterans of the World War need and will receive the greatest benefit.

Mr. President, the performance of the obligation of the Government has been too long deferred. Recognition of that obligation was deferred six years too long. Then, in the discharge of the obligation, another 21 years was proposed. Twenty-seven years after these men laid down their arms we propose to pay the obligation if we vote against this bill.

Let me emphasize we forgave the foreign debts and forgave those debts promptly. We settled on the war contracts with the war profiteers promptly. We settled with the railroads promptly. Yet it is proposed by the opponents of the bill to defer payment of the obligation until 27 years after the obligation was incurred. The obligation was incurred even before the men were mustered out of service. The obligation was incurred the moment the men were inducted into the service of the United States.

Mr. President, I have endeavored to outline the situation primarily from the standpoint of the fiscal affairs of our Government. I do not know whether there is any Member of the Senate who is willing to rise in this Chamber and justify a vote to kill the bill. But if there be such a Senator, then I challenge him to point out in what respect and to what degree I have been in error in outlining the fiscal condition of the Government in relation to its currency, its monetary system, and its bonded obligation. I do not want to engage in any passionate plea. That would not serve the purpose that I want to accomplish as I look upon the situation.

I have chosen rather to give the matter a cool, calculating analysis so that those who may oppose the bill will not be able to raise the cry that we are menacing and threatening the stability of our financial and credit system in this country. Mere declarations, mere vaporings, that the provisions of the bill threaten our financial structure are not an answer. I have marshaled the facts respecting our fiscal condition. I challenge now anyone to controvert successfully those facts.

However, Mr. President, in closing I desire to emphasize what the Senator from Indiana [Mr. ROBINSON] said and what was said by the senior Senator from Nebraska [Mr. NORRIS] in relation to war. I shall make this emphatic observation, that war will not cease until those who make profit out of war are compelled to pay the cost of war, even in agony and sacrifice, as has been done by those who fought the war.

I make the further observation, Mr. President, that we can not do our full duty until by law, by the orderly processes of the Constitution, we compel those who profit out of war to surrender those profits that are made out of the blood and the sacrifice and the lives of the young men who are sent to war.

Mr. President, let me say that the money these men will receive if this bill is passed will not be hoarded. There may be among the soldiers, and no doubt there are, men who are in such financial circumstances that they do not need the immediate payment of the adjusted compensation. But we can not subject these service men to the humiliation of declaring themselves as paupers before they receive the money. They have all performed services of relative character in the same war, and we must accept the entire group as a whole. We are not here to settle that question now. That policy has been fixed by the Congress. The Congress has said that all men who served in the World War for more than 60 days shall be entitled to the compensation fixed by the original act. Congress has fixed the policy and Congress has settled the obligation as to its terms, and we are here only to carry out that obligation by making the payment immediately instead of deferring it until 1945.

Mr. President, I can not close until I shall have read a brief excerpt from a statement by General Glassford, who is Superintendent of Police for the District of Columbia, in which he referred to the veterans who have come to Washington to present in person their pleas in behalf of themselves and their comrades. General Glassford said:

They have demonstrated their loyalty to the flag. They were heroes cheered in 1919. To-day they are without employment, without means of support, homeless, and outcasts. They can not find work. Surely they are entitled to an opportunity to acquire a decent livelihood.

Thus spoke the head of the Metropolitan police department of the Capital City of the Nation. These men are here lawfully, as I suggested on the floor not many days ago when I was attempting to obtain from Congress an appropriation that the Government might furnish proper housing facilities, proper sanitation, proper hospitalization, and necessary food for these men. I said they were not coming to Washington in a mass demonstration for the purpose of coercing Congress; that they were here as citizens of this great Government of ours, gentlemanly, courteous in their attitude and conduct, pursuing a lawful course, for it must be conceded, as Congress has declared, that what a person may lawfully do singly men may lawfully do in concert. So these men are here in their own right and in behalf of themselves and their comrades everywhere.

Great sacrifices they have made; they have been subjected to great privations; billeted in the mud and the damp, with inadequate housing, inadequate food, inadequate sanitation, inadequate hospitalization; in fact, many of the necessities have been denied to them which the Government could have granted to them had the Secretary of War recognized our obligation to humanity. With plenty of tents, available from the stores of the Army of the United States, and field kitchens, blankets, and all the necessary equipment that attends an army, yet this Government declined, through the Secretary of War, to furnish some of the bare necessities that these men might live here in some degree of comfort. However, notwithstanding all these neglects, notwithstanding that Congress has deferred their just compensation, notwithstanding that the Government has settled with the war profiteers, has settled with the railroads, has settled with every selfish interest, notwithstanding all the neglects and all the injustices, these men have conducted themselves peacefully, quietly, gentlemanly, and courageously. When they go home they are entitled to carry to their respective

communities the message that they not only honored themselves but they honored World War veterans everywhere.

Mr. President, I have, in a very inadequate way, outlined the evidences of the ingratitude of this Government toward the veterans; I have endeavored to outline but briefly its generosity toward foreign governments and foreign peoples and its refusal to perform properly its obligations to our soldiers.

I recall when these boys went to war how the bands played and the colors were unfurled as they were marched to depots to be entrained. I recall how eloquent gentlemen mounted the platforms, bade the boys good-by, and told them what a grand and glorious opportunity was afforded them to make this sacrifice for their country, even the sacrifice of their lives. As I said the other day, however, some of those eloquent gentlemen had their fingers crossed when they told the boys that when they came back jobs would be procured for them, that compensation would be procured for them, that everything would be done for them, that nothing would be neglected.

Oh, yes, Mr. President. These boys, men to-day, are the Tommy Atkinses of Kipling fame. When they come to Washington to make their plea and to present their petition asking the Government of the United States to discharge its obligations in these times of stress and poverty and unemployment, the Government, if the Senate rejects this bill, will say to these Tommy Atkinses:

Its Tommy this, and Tommy that,
But, Tommy, stay outside.

It was quite different in the days of the war; then it was:

"Mr. Atkins" when the troopship's on the tide.

The VICE PRESIDENT. The question is on the third reading of the bill.

Mr. THOMAS of Oklahoma. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Dale	Kendrick	Robinson, Ind.
Bankhead	Davis	Keyes	Schall
Barbour	Fletcher	King	Sheppard
Black	Frazier	La Follette	Shortridge
Blaine	George	Lewis	Smoot
Brookhart	Glass	McGill	Steiwer
Bulkley	Glenn	McNary	Thomas, Okla.
Byrnes	Goldsborough	Metcalf	Trammell
Capper	Gore	Moses	Tydings
Caraway	Harrison	Norris	Vandenberg
Cohen	Hatfield	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Watson
Coolidge	Hobert	Patterson	White
Costigan	Johnson	Reed	

Mr. McNARY. I desire to announce that the Senator from Washington [Mr. JONES], the Senator from Maine [Mr. HALE], the Senator from Louisiana [Mr. BROUSSARD], and the Senator from New Mexico [Mr. BRATTON] are detained in the Committee on Appropriations.

The VICE PRESIDENT. Fifty-nine Senators having answered to their names, a quorum is present.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. NYE. Mr. President, I rise to address myself very, very briefly to a matter quite removed from the issue which is pending before the Senate at this time. Perhaps I owe the Senate an apology for taking even as little time as I shall.

I am not one who expects that in public life one can avoid criticism. I expect a great deal of it, and for the most part quite ignore it. However, there are occasions when criticism becomes so vicious that one can not avoid giving it attention.

A newspaper, published not in my own State but in a neighboring State—the Minneapolis Journal, of Minneapolis, Minn.—has been giving vent to many editorials of late respecting the expenditures made by the campaign-fund investigating committee, of which I was chairman two years ago. I should quite ignore these editorials were it not for the very, very vicious nature of them, and the reflection which has been cast upon one Member of the Senate besides myself, a colleague of mine on that committee. The only possible way that I have of reaching those who may read these editorials is by the method I now pursue.

The particular editorial to which I refer is one alleging and insinuating that my colleague upon the committee, Senator DALE, of Vermont, and myself may have had an understanding relative to the division of spoils or payments which were made to Senator DALE by reason of an expense incurred by him in a trip from his home to a meeting of the committee in Montana and back again. The RECORD is resorted to in this editorial to show that Senator DALE was paid twice for the same trip, in each case the amount being

in excess of \$400. So, Mr. President, I ask unanimous consent to have printed in the RECORD at this point the details of the voucher appearing on page 3439 of the CONGRESSIONAL RECORD of January 29, 1931, and a second voucher appearing on the same date at page 3441, and a third voucher appearing at page 3454 of the same issue of the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

Date paid	No. of voucher	To whom paid and for what object	Amount	Total
1930 Sept. 13	63	<i>Fiscal year 1930</i> Estell C. Healy: 1930 Sept. 19. For reimbursement of expenses incurred as assistant secretary of the select committee investigating campaign contributions and expenditures of senatorial candidates under resolution of Apr. 10, 1930, from Aug. 4 to Sept. 12, as follows: Paid Baltimore & Ohio Railroad Co. for transportation and Pullman charges for Senator Nye and assistants from Washington, D. C., to Chicago, to Salisbury, N. C., to Louisville, Ky., to Elizabeth, N. J., to Glacier Park, Mont., for period from Aug. 9 to Sept. 3.....	\$522.15	
		Sept. 19. For reimbursement of expenses incurred as assistant secretary of the select committee investigating campaign contributions and expenditures of senatorial candidates under resolution of Apr. 10, 1930, from Aug. 4 to Sept. 12, as follows: Paid to Senator Dale, expenses of attending meeting.....	420.00	
Oct. 9	95	Gerald P. Nye, chairman: 1930 Oct. 9. For reimbursement for expenses incurred from Aug. 2, to Sept. 30, 1930, as chairman of the special committee investigating campaign contributions and expenditures of senatorial candidates under resolution of Apr. 10, 1930, as follows: Transportation for self, members of committee, and investigators, including Pullman charges, meals en route, and portage— Aug. 22-24, Fargo to Glacier Park, Mont.....	112.84	
1931 Jan. 6	330	Porter H. Dale: 1930 For reimbursement of expenses incurred in attendance at hearings held by special committee investigating contributions and expenditures of senatorial candidates, under resolution of Apr. 10, 1930, from Aug. 14 to Nov. 23, as follows— Transportation, including Pullman charges— Washington, D. C., to Glacier Park, Mont., and return to Island Pond, Vt..... \$408.24 Island Pond, Vt., to Chicago (2 trips, Sept. 18 and Nov. 10)..... 201.56 Chicago to Island Pond, Vt., via Battle Creek and Washington, D. C..... 148.24 ----- Hotel accommodations at Chicago..... 22.00 Subsistence en route and at Chicago and Lincoln..... 72.70 Telephone service at Chicago..... .90 Taxi fares and portage..... 32.85 ----- Less voucher paid on Sept. 19..... ----- Less voucher paid on Dec. 13.....	885.80 420.00 465.80 105.00	\$360.89

Mr. NYE. Also I ask to have printed in the RECORD a telegram which I have this day addressed to the Minneapolis Journal and to the Grand Forks (N. Dak.) Herald, which saw fit to copy the Minneapolis paper's editorial.

The VICE PRESIDENT. Without objection, it is so ordered.
The telegram is as follows:

JUNE 17, 1932.

EDITOR GRAND FORKS HERALD,
Grand Forks, N. Dak.:

The following telegram was just dispatched to the Minneapolis Journal. Since it concerns your paper also I desire to make it available to you, with a request like that I have made of the Journal, for a correction and revealing of the facts. The telegram follows: "In a recent editorial published in the Minneapolis Journal and copied under date of June 13 in the Grand Forks (N. Dak.) Herald you have presented alleged abuses by myself of the funds made available by the Senate for investigation by the Select Committee on Senatorial Campaign Expenditures, of which I was chairman. You recite voucher No. 63, showing payment to the 'Baltimore & Ohio Railroad Co. for transportation and Pullman charges for Senator Nye and assistants from Washington D. C., to Chicago; to Salisbury, N. C.; to Louisville, Ky.; to Elizabeth, N. J.; to Glacier Park, Mont., for period from August 9 to September 3,' said voucher calling for payment of \$512.15. You then recite voucher No. 95, as follows: 'Transportation for self, members of committee, and investigators, including Pullman charges, meals en route, and portage, August 22 to 24, Fargo to Glacier Park, Mont., \$112.84.' Your ostensible purpose in presenting these two excerpts from vouchers has been to at least insinuate that I had been reimbursed twice for the same item. If your Washington correspondent would have taken the time to inquire into these vouchers and availed himself of substantiating information, which would have been made available to him upon inquiry, he would have found that voucher No. 63 was made to cover the expenses of three different agents of the committee in the prosecution of committee work, and the only part which was for the expense of myself was for a ticket from Washington to Chicago.

"In the same editorial you again refer to voucher No. 63, in which is shown a payment to Senator DALE, of Vermont, to cover

expenses of attending meeting, payment being in the amount of \$420. Then you refer to voucher No. 330, made out to Senator PORTER H. DALE, of Vermont, under date of January 6, 1931, carrying this item for reimbursement of expenses, 'Transportation, including Pullman charges, Washington, D. C., to Glacier Park, Mont., and return to Island Pond, Vt., \$409.24.' You then declare that this seems 'on its face to be a double payment of Senator DALE's fare to Glacier Park, with no way of telling who got the extra \$400.' Your insinuation is that if Senator DALE himself did not receive this double payment that some one else, possibly myself, received it through a system of juggling accounts. I should hardly expect any fair play from a newspaper that serves the interests of selfishness and greed as thoroughly as does the Minneapolis Journal, but for the sake of the record and in fairness to Senator DALE and myself, I respectfully request that you present to your readers the truth revealed by the vouchers which you quote in part. In the same voucher No. 330 from which you quote you will find in the item concerning Senator DALE's account the following language, which clearly reveals that the amount of \$420 was deducted 'less voucher paid on September 19, \$420.' This should clearly reveal to the most dense mind that Senator DALE was not paid more than once for the specific journey with which your editorial deals. In reviewing the statement of expenditures by the committee, as contained in the CONGRESSIONAL RECORD, from which you have quoted in your editorial, I am at a loss to see how your editorial of recent date to which I have referred could have been the result of any error or oversight. Instead it appears very clearly to have been an editorial by one undertaking a task with most malicious intent. May I request your immediate attention to the affording of a correction of the impression which your editorial has left with respect to Senator DALE and myself by publication of the facts in as prominent a position as the false charges appeared in your columns?"

GERALD P. NYE.

ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates.

The VICE PRESIDENT. The bill is before the Senate, and open to amendment. If there be no amendment to

be proposed, the question is, Shall the bill be read a third time?

The bill was read the third time.

The VICE PRESIDENT. The bill having been read three times, the question is on its passage.

Mr. ASHURST. I call for the yeas and nays.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the yeas and nays may be considered as ordered.

Mr. SMOOT. Mr. President, will the Senator yield before that is done?

Mr. THOMAS of Oklahoma. I yield.

Mr. SMOOT. I asked General Hines to transmit to me a statement of the pertinent data in regard to the proposed amendment of the World War adjusted-compensation act. I have just received those data, and now ask that they be inserted in the RECORD at this point. I shall not take the time to have them read.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

The act of May 19, 1924, provided for veterans with a lesser rank than major in the Army and lieutenant commander in the Navy being credited with additional compensation on the basis of \$1 per day for service in the United States and \$1.25 per day for service overseas in excess of 60 days, with the limitation that the adjusted-service credit of a veteran who performed no overseas service could not exceed \$500, and that the credit of a veteran with overseas service could not exceed \$625.

Credits of less than \$50 were made payable immediately in cash and credits due deceased veterans who had not made application for an adjusted-service certificate were payable to their dependents in 10 equal quarterly installments.

Veterans making application for the benefits conferred by the statute who established entitlement to a credit in excess of \$50, had added to the adjusted-service credit because of deferred payment an additional 25 per cent, and this gross credit was applied as a net single premium on the basis of the American experience table of mortality with interest at the rate of 4 per cent, compounded annually, to fix the amount of the adjusted-service certificate provided for in the act, which is essentially in nature a 20-year endowment insurance policy.

The adjusted-service certificate fund was created for the purpose of providing for the payment of the certificates upon maturity. The amount to be contributed by the United States Government was provided to be calculated, based on an annual level premium according to the American experience table of mortality, with interest at 4 per cent, compounded annually.

It was also provided that after the expiration of two years from the date of issue the adjusted-service certificates would have a loan value to be computed on the basis of 90 per cent of the reserve value based on an annual level net premium over 20 years, calculated in accordance with the American experience table of mortality, with interest at 4 per cent, compounded annually. The act provided that the certificates would be, after the 2-year period elapsed, good as collateral security for a loan from any bank or trust company incorporated under the laws of any State, Territory, or possession of the United States. The law was sub-

sequently amended on the 3d day of March, 1927, whereby the United States Government life-insurance fund was made available for use for the purpose of making loans on adjusted-service certificates, and under date of February 27, 1931, further amendment was passed increasing the loan value of the certificates to 50 per cent of the maturity value and making the adjusted-service-certificate fund available from which loans could be made.

As an illustration, a veteran with 178 days' service in the United States in excess of 60 days and 178 days' service overseas, would be entitled under the act of May 19, 1924, to a service credit of \$398, which would entitle the veteran to an adjusted-service certificate of \$1,000 in the average case. On the basis of the certificate being issued January 1, 1925, it would have, if the earned portion of the 25 per cent additional credit is allowed, a present value of \$542. If the whole of the 25 per cent is credited, the present value would amount to \$623. If the veteran borrowed the full 50 per cent on March 1, 1931, on June 30 there would be a lien against the certificate of \$530.34.

The maturity value of the certificates outstanding as of May 1, 1932, amounts to \$3,514,713,333. The amount of the adjusted-service credit used in fixing the maturity value of the certificates is \$1,407,551,398, and the additional credit granted because of deferred payment amounts to \$351,887,851. The present value of the certificates on the basis of allowing the earned portion of the additional credit is \$1,879,331,854; and the present value, if credit is given for the full 25 per cent without regard to its being earned by the passage of time, is \$2,160,151,557.

The number of certificates pledged with the Veterans' Administration for loans is 2,567,367, and it is estimated that 150,000 certificates are held as collateral security by banks. The loans outstanding aggregate \$1,415,220,091.79, distributed as follows:

Adjusted-service-certificate fund.....	\$991,166,776.78
United States Government life-insurance fund....	364,053,315.01
In the hands of banks.....	60,000,000.00

There has been appropriated to date to the adjusted-service-certificate fund from the Treasury by the Congress \$1,096,000,000. The present value of the fund is \$1,110,886,457.78.

H. R. 7726 provides for the immediate payment of the maturity value of the certificates, which would require funds to the extent of \$2,403,326,875.22 being provided.

The amendment suggested by Senator THOMAS of Oklahoma would limit the payments to be made under H. R. 7726 to those veterans who are in need. However, as need is to be presumed as established for those veterans who have already borrowed on their certificates and as a prima facie case is to be concluded on the basis of a statement from the veterans who have not borrowed, it is not considered that the amendment advocated is sufficiently restrictive as to materially decrease the amount of funds required to give the bill effect.

The plan recommended by Senator CONNALLY, of Texas, is to fix a present value on the adjusted-service certificates by using the adjusted-service credit plus the additional 25 per cent, and thereon granting interest at the rate of 4 per cent, compounded annually, the value of the insurance already enjoyed by holders of unmatured certificates to be disregarded.

The total adjusted-service credit amounts to \$1,407,551,398 and the amount of the 25 per cent additional credit totals \$351,887,851, or an aggregate of \$1,759,439,249. The amount of compound interest would be \$591,051,594, and the present value of outstanding certificates based upon this method of calculation would be \$2,350,490,843, and as the value of the adjusted-service-certificate fund is \$1,110,886,458, the additional amount which it would be necessary to raise is \$1,239,604,385.

Veterans' Administration—Disbursements as of April 30, 1932

	To June 30, 1931			Veterans' Administration	
	National homes	Bureau of Pensions	Veterans' Bureau	During April ¹	Fiscal year 1932
Veterans' Administration homes.....	\$250,312,883.84				
Army and Navy pensions.....		\$8,169,801,911.88	\$234,176,282.66	\$19,751,215.15	\$194,956,501.17
Maintenance and expenses for pensions.....		151,212,728.16	1,744,732.30		
Military and naval compensation.....			1,891,950,451.08	26,868,450.49	262,515,605.64
Military and naval insurance (term).....			1,374,004,790.35	11,630,528.89	105,690,148.14
Government life insurance ²			143,675,359.21	2,408,740.64	23,183,213.45
Medical, hospital, and domiciliary services.....			420,011,705.25	78,280.09	\$7,640,051.65
State and Territorial homes.....					599,865.32
Administrative ³			425,408,261.08	8,963,378.16	79,344,523.65
Hospital and domiciliary facilities and services, Veterans' Administration.....			62,328,514.27	1,041,335.20	10,257,895.52
Adjusted-service-certificate fund ⁴			110,735,825.17	2,334,886.80	19,075,493.10
Adjusted-service and dependent pay.....			40,823,757.04	523,913.63	2,429,451.35
Vocational training.....			\$644,960,808.83		\$17,099.11
Allotments and allowances.....			582,926,255.95	2,240.34	8,679.06
Marine and seamen's insurance.....			35,077,918.69		
Miscellaneous.....			299,212.54	20.00	3,949.47
Total.....	250,312,883.84	8,321,014,640.04	5,958,123,974.42	73,502,988.89	705,688,278.41

¹ Gross figures used for April. Adjustment will be made on subsequent report.

² Does not include investments and loans.

³ Disbursements out of appropriations for previous years; for the fiscal year 1932 included in "Administrative."

⁴ Administrative includes medical and hospital services, 1932, salaries and expenses, etc.

⁵ Represents payments on certificates matured by death of veterans. Also includes \$485,047.45 to June 30, 1931, and \$3,420,315.12 for fiscal year 1932, deducted from payment of matured certificates on account of loans previously made from adjusted-service-certificate fund (plus accrued interest from date of loans to death of veteran).

⁶ Includes \$9,313.29 revolving fund, loans outstanding June 30, 1931.

⁷ Credit.

NOTE.—Amount disbursed from insurance premiums and allotments, \$956,362,612.48.

Civil Service Retirement and Disability Fund

	To June 30, 1931	During April	Fiscal year 1932
Annuities and refunds.....	\$131, 809, 483. 19	\$2, 352, 632. 84	\$22, 968, 784. 82

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma that the yeas and nays be ordered? The Chair hears none, and the yeas and nays are ordered.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as I have occupied considerable time upon the floor upon this bill, if there is any Senator who desires to be heard, either for or in opposition to it, I shall gladly waive my right to the floor at this time in his favor.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. I expect to consume a little time, but I am perfectly willing that the Senator from Oklahoma should go ahead, and I will speak later.

Mr. THOMAS of Oklahoma. Mr. President, I will not use any extended time in the further advocacy of this bill.

The bill has been pending before the Congress since its convening in December. The bill has been thoroughly considered in the other branch of the Congress. Hearings were held before the appropriate committee for some three or four weeks.

After the hearings were concluded the Ways and Means Committee, having jurisdiction of the bill, made an adverse report upon the bill.

The parliamentary situation was such that the proponents of the measure could not bring the bill to a vote. The friends of the measure were forced to resort to the filing of a resolution in the Rules Committee of the House of Representatives asking for a rule under which this unfavorable report could be considered before the House. The Rules Committee refused to report that resolution favorably; whereupon, under the rules of the House, a petition bearing the signatures of 145 Members of the House was at the proper time presented to the House, and under the rule the resolution had to be brought forth from the Rules Committee. The rule was finally adopted, bringing the measure before the House for a vote.

After consideration in the House a vote was taken and the bill received 211 votes for, and 176 votes against; whereupon the bill, under the parliamentary practice, was messaged to this body.

The bill came here but two days ago; and I wish to express my personal appreciation of the activities of the Finance Committee in receiving this bill, giving it a speedy consideration, and reporting it back within 24 hours, although with an adverse recommendation.

So, Mr. President, the bill now is before the Senate with an adverse report—a report that the bill do not pass—and I am violating no confidences when I say that the vote against the bill in the Committee on Finance was 12 against and 2 for.

Mr. President, I am not under any delusion as to the fate of this measure before this body. I know the influence at work against this measure. It is very largely propaganda, but it is propaganda to serve a special interest, and that interest is those who have their wealth in fixed investments, who want the buying power of the dollar kept at its present elevated value.

The Department of Labor has advised that the dollar at the present time will buy \$2.03 worth of farm commodities; that taking the wholesale list, the present value of the dollar will buy \$1.53 worth of commodities. Hence, those who have wealth in the form of fixed investments, those who have bonds, those who have mortgages, those who have notes, and those who have vast bank deposits, want this value kept at that high figure, so that their dollars will buy more than 100 cents of values.

Mr. President, this bill is before this Senate and the Congress upon a petition signed by more than two and one-half million American citizens. The petition is on file in the archives of the Congress. Because of the delay in the other House, because these petitioners failed to get speedy action upon this bill, these petitioners, many of them, something like two months ago, started toward Washington. They have been coming ever since; and to-day more than 20,000 veterans, American citizens, and signers of this petition, are here. The galleries of the Senate are now packed with these citizens. The Capitol is now surrounded by these veterans, and just across the way yonder to the east at this moment are thousands of those citizens, looking this way, anxious to know the fate to be decreed to them in the next few hours.

Mr. President, I have this day seen telegrams from every point of the compass, giving reports of delegations now on the way here; and from the information I have, many thousands more veterans and citizens are now on the road to Washington.

Mr. President, this fight has just begun. It will not be settled here to-day. It makes no difference what vote is cast here; the smaller the vote the more citizens may come. If this bill is defeated here today, these citizens will not immediately leave Washington, for they have no place to go.

Mr. President, at this point let me place in the RECORD some figures. These figures are of date January 1 of this year. At that time the Director of Veterans' Affairs had issued certificates to 3,658,527 veterans. Those certificates totaled the sum of \$3,636,075,538. The number of veterans who had made applications for loans and who had received loans on the first of this year were 2,454,741. The amount loaned to those veterans was \$1,233,859,223. The amount still due on the first of January—that is, the amount between the amount loaned and the amount of the certificates—was \$2,402,216,315.

In order to pay the balance due on those certificates, in round numbers, it will take the approximate sum of \$2,400,000,000; and that is what this bill calls for, the raising in some manner of \$2,400,000,000 and placing that money in the hands of the Director of Veterans' Affairs, with the order and the direction to proceed to distribute such sum among the 3,658,527 veterans who hold these certificates, and in proportion to the amount due each veteran.

Mr. President, I shall take no time in trying to convince the Senate that the veterans want this money. That is admitted. I shall take no time in trying to convince the Senate that the veterans need the money. That is likewise admitted.

What reason can be assigned for delaying the payment of the amount due? Those who object to this proposal say that the amount is not now due and will not be due until 1945. Who decreed that the amount would not be due until 1945? The Congress of the United States issued that decree. The veterans had nothing to say about it. For months and for years they had made their claim to the Congress, asking for the amount they claimed to be due, and they did that only when they saw that the railroads had made claims for adjustments and had seen the Congress make the adjustments promptly. They did it only when they saw that the contractors had made claims for adjustments and had seen the Congress make the adjustments promptly. They did it only when they saw everyone else having claims come to the Congress asking for adjustments and securing their adjustments promptly. Then it was that the veterans came to the Congress and likewise asked for an adjustment.

The Congress, after years of consideration, finally agreed that in order to be magnanimous it would give the veterans the sum of a dollar a day for the time they spent in American camps and a dollar and a quarter a day for the time they spent across the seas. On such a basis the adjustment was computed and such sum, with seven years' interest omitted and a small amount added, was placed in the form of a certificate due in 1945. The certificate is nonnegotiable and is nontransferable, and these men, receiving the certificates, must live somehow until 1945, when they may get

the amount the Congress has decreed should come to them.

Mr. President, it is contended by some that this is a bonus to the soldiers of the Nation. For the sake of the argument, let us admit that it is. But is this the only bonus Congress has granted? During the war we loaned Italy a very large sum of money, running into billions of dollars, and when we adjusted with that nation we gave Italy a bonus to the extent of 75 per cent of the money loaned, such 75 per cent amounting to billions and being the money of the American people. Thus the Congress has given Italy a bonus in the form of a reduction of the amount that nation owed the United States of America.

During the war we loaned France about \$4,000,000,000, and after the war in the adjustment with France we reduced the amount approximately 50 per cent; so Congress has heretofore granted a bonus to France in the sum of approximately \$2,000,000,000.

During the war we loaned Great Britain vast sums of money, and after the war we adjusted with that great Empire on the basis of 75 cents on the dollar.

Mr. SMOOT. Eighty-three per cent.

Mr. THOMAS of Oklahoma. I am corrected by the Senator from Utah. He says it was 83 per cent. We still gave Great Britain a rebate of 17 per cent on about \$4,000,000,000; and Congress in ratifying that adjustment has already, years ago, before I reached Congress, given the nations making up the British Empire a bonus in the sum of 17 per cent, and such bonus runs into multiplied millions.

Then when Congress convened last December, foreign nations knowing how generous the United States is with her bonuses came to Congress and asked for further financial favors. The bonus they then asked was in the form of a postponement of the interest due on the debts owing us; and the Congress, maintaining its reputation for generosity, recalling the precedents established in the making of bonuses, granted a further bonus to the foreign nations in the total sum of \$250,000,000.

Bonuses? Yes, Mr. President, the precedent is set. Everyone has had a bonus save the men who most deserved a bonus, and those men, held off for 14 years, now with a judgment against the United States, are here seeking to collect such judgment against this, the strongest, the richest, and the most powerful nation on the earth.

When the vote comes, now very soon, if my poll is correct, there will be a two-thirds vote, and probably more, registered against the payment of a judgment against this Government, a judgment which the Congress has already confessed and now refuses to pay.

Mr. President, it has been said by some that this is a dole, and that the Congress is now being asked by the veterans of the Nation for a dole. Let me, for the sake of the argument, admit that it is a dole. Already in this session Congress has granted doles to the big business concerns of the Nation. Only a few days ago the distinguished majority leader in the other branch of the Congress gave out an interview in which he said that the bills passed by the Congress were nothing more nor less than doles to railroads, doles to banks, doles to trust companies, and doles to life-insurance companies of the Nation. Of course, he referred to the loans being granted by the Reconstruction Finance Corporation.

A bonus? A dole? I care not what you call this adjustment with the veterans—whatever it is, we made it legal, we placed the stamp of our approval upon it, and the only question now is, When will the Congress pay this just, honorable, and patriotic debt?

Mr. President, it takes no time to convince the Congress that these veterans need this money. The House of Representatives, the other branch of the Congress, has admitted that they need it, because they passed the bill and sent it to us. But this day the same branch of the Congress which passed the bonus bill has sent to this body for our consideration House Joint Resolution 418. What does that joint resolution provide? It provides in section 1 for the making available to the Red Cross of 40,000,000 bushels of wheat

now owned by the Government in order to enable that organization to keep on feeding the hungry people of this Nation.

The second thing this resolution does is to propose to make available 500,000 bales of cotton to clothe the naked citizens of the country.

Mr. President, the other branch of the Congress has already done its part in providing relief for the people of the country.

The other branch of the Congress passed the Goldsborough bill and the measure is before the Senate. The purpose of that bill was to direct the Federal Reserve Board to make money more plentiful, and thereby make it cheaper. The bill came to the Senate, and what happened in this body? It has been emasculated and has little if any chance of passage.

The other branch of the Congress passed the Garner bill, providing money for the employment of men on public works, and that bill came here, and since it arrived I have not heard it mentioned, except in private, in the smoking rooms, and in the corridors. The leaders of the Senate are against the Garner bill, they are against the Goldsborough bill, and they are against the bonus bill. Mr. President, what chance does a poor bill have when the leaders on both sides of the aisle are against it?

The issue presented by the bonus bill is simply this: When will the Senate of the United States pay this sacred and patriotic debt? That is the question. We will be asked to vote upon that question shortly. Those who vote "yea" will say we will pay it now. Those who vote "nay" will say we will pay it sometime, perhaps in 1945. That is the issue presented to the Senate. Already the Senate is on record in making adjustments and in voting bonuses and doles. My fellow Senators, are you proud of the record that has been made? That record stands in just a few words:

Billions for big business, but not a sou for soldiers!

The unemployed have had little consideration at this end of the Capitol. The farmers of the Nation, our largest single group, embracing 30,000,000 of American citizens, had about two days' consideration. After almost no consideration, with most of the seats in the Senate vacant, all at once the so-called friends of the farmers came in from the cloak-room and sent the bill back to the committee, and there it sleeps serenely. The veterans have been asking for this legislation for months. They are here demanding that we pass the bill. When the vote comes now very shortly the chances are it will not pass unless some miracle happens—and miracles do not happen in the Senate of the United States. They happen some place else perchance, but miracles are an unknown thing in this body. What happens here happens by design.

Mr. President, if the unemployed are to have no consideration at the hands of the Senate, if the farmers are to have no consideration here, if the veterans are to have no consideration here, and if we turn them down to-day, such defeat is nothing more nor less than a sentence of those veterans to go forth to beg or starve or steal. There is nothing else left for them to do. There are no jobs. There is no work. They can beg. They are forced to do that now.

Yet, Mr. President, we live in a land of plenty. We have so much wheat that wheat is selling for only 26 cents a bushel in my State. We have so much food of every kind and character that the harvesting of the products can not be paid for by the total amount the farmers receive at the market place. We have so many hogs and so much livestock for meat that hogs are selling for less than 3 cents a pound to the farmers of the Nation. With food, with wheat, with corn, with cotton, with everything the Nation needs, the face of America is literally alive with wiggling men trying to fill their empty stomachs and to find a place to lay their weary heads.

Mr. President, the Senate mistakes the temper and the intelligence of these veterans. Why, Mr. President, in the

jungles where the bananas and the coconuts are plentiful do the monkeys starve? As long as there are bananas and coconuts in the jungle even the lowly monkey has his food. Are not the citizens of America as intelligent as the monkeys of Africa? If they can get no work, if they can not collect their honest debts, if they can not collect their judgments, what are we telling these soldiers to do? We send them hence to choose their course. There is but one course open to them. These men will not starve.

Mr. President, I want to explain briefly the bill that is now pending before the Senate. The bill provides for the immediate payment of the balance due to the holders of adjusted-service certificates. There are more than 3,000,000 of them. The bill provides a plan for raising the money with which to make the payments. The plan is such that it will not take a single dollar from the taxpayers of America. The plan is such that it will not take a single dollar from the Public Treasury of the Government. What is the plan?

The plan is that the Government through its proper authorities will be directed to issue bonds to the extent of the amount necessary to make the payments, more than \$2,000,000,000, and to deliver the bonds to the Federal reserve banks of the Nation. That is No. 1.

No. 2. The proper officials are directed by the bill to have printed Treasury notes in the total sum necessary to make the payments, approximately \$2,400,000,000, and to deposit the Treasury notes in the same Federal reserve banks.

These are the two processes that place the money in the Federal reserve banks of the Nation. We have the money already. The Treasury has bales and bales of money printed yonder at the western end of Pennsylvania Avenue. This money has already been printed. It has been baled and it is now in the drying room, aging prior to going into circulation. It is claimed that new money is not good in its wearing qualities. It has to be printed and placed in a special drying room and seasoned and aged so it will wear well. Down at the Treasury we have billions of this money now printed, awaiting an opportunity to be placed in circulation. If the money is placed in the Federal reserve banks, it will be subject to the order of the Director of Veterans' Affairs to make these payments.

Someone says that is a strange kind of money. Just print money and put it out in the Federal reserve banks and then pay it out? Why, Mr. President, that is not a strange kind of money. We to-day have in circulation two identical kinds of money—Treasury notes of 1890 and the United States notes issued in the sixties. Away back yonder in the sixties, when we had trouble between the North and the South, the northern side ran out of gold, ran out of silver, ran out of specie. They could not borrow any money any place. Nobody would loan money to the Government, so the Congress in the sixties enacted a law providing for the issuance of hundreds of thousands of dollars of United States notes. In that early day they did not go to the expense of printing bonds to secure the notes placed in circulation. The Government, your Government, my Government, printed United States notes and began to pay them out to soldiers, paying them out in making settlement for the things the Government must have to wage that conflict.

Those notes, known as greenbacks, not supported by bonds have served the purpose so well that they are still in circulation to-day. There are \$350,000,000 of those notes still out among the people of America to-day. There are no bonds back of those notes. They are simply the promise of this Nation to pay and they are so satisfactory even without bonds back of them that they circulate to-day as money, they circulate to-day on a parity with Federal reserve notes, with gold certificates, with silver money, and with gold money. There is no better money in America to-day than those United States notes. They are so good that the Treasury Department does not want to cancel them. That is the same kind of money that we propose to use in making the payments to these veterans.

In 1890, only 40 years ago, we issued some Treasury notes. They were not backed by bonds. They were simply the promise of the Nation to pay. Paper money issued in 1890, known as Treasury notes, has been found so successful and so satisfactory that we still have those notes in circulation.

Thus we have two precedents for the identical kind of money proposed to be issued and used to pay these veterans—the Treasury notes of 1890 and the greenbacks issued under act of Congress in the sixties. But the notes proposed to be issued under the pending bill are to be backed by bonds of the United States of America. Are those bonds good as security for this money? Is there any Senator who will say that such money is fiat money? Is there any Senator who will assert that the bonds of the United States are not good security for the issuance of a circulating medium to the extent of \$2,400,000,000?

Mr. President, we have much of our money based only upon bonds. Every dollar in circulation of national-bank currency is based upon nothing but 2 per cent consols and a 5 per cent redemption fund. The 5 per cent redemption fund is not necessarily gold. The 5 per cent redemption fund can be silver, it can be gold, it can be gold certificates, it can be silver certificates, it can be greenbacks, it can be Treasury notes, it can be Federal reserve notes, it can be Federal reserve bank notes, or it can be national-bank currency.

If you happen to have in your pocket a national-bank note, let me tell you that the only thing back of that note is a 2 per cent consol; and that means a 2 per cent bond that some bank has purchased and sent to the Treasury and deposited, and had issued against it the note you have in your pocket. The only security back of that note are these 2 per cent bonds plus a 5 per cent redemption fund in any sort or kind of lawful money.

Mr. President, what is behind the Federal reserve note that you have in your pocket, if you are so lucky as to have a Federal reserve note in your pocket? There is nothing back of that Federal reserve note except 40 cents worth of gold and 60 cents worth of commodities—60 cents worth of wheat, perchance; 60 cents worth of cotton, perchance; 60 cents worth of hogs, perchance; 60 cents worth of merchandise, perchance; that is all that is behind your Federal reserve note—40 cents in gold and 60 cents in commercial paper. Yet we are told that these new Treasury notes, backed by the promise to pay of 120,000,000 people, based upon the property of a Nation that two years ago was worth \$500,000,000,000, would be worthless.

There is a simple plan provided for the payment of this bonus, namely, the issuing of bonds and placing them in Federal reserve banks, printing the paper, the United States notes, and placing them in the same banks, and then when the Federal reserve banks deliver some of these new notes to Director General Hines the banks will have in their vaults the bonds of this Republic to secure those banks, for they will know that at some future time the United States will collect taxes and redeem the bonds and thus cancel the outstanding currency. That is the simple plan, Mr. President, provided in this bill for the payment of this bonus. It does not take a single dollar from the Treasury of the United States; it will place in circulation two and a half billion dollars of new money; but, Mr. President, to that form of financing strong opposition exists.

It is contended in some quarters that the Federal Reserve System is now placing money in circulation. Is there any Senator upon this floor who believes that to be so? Is there a single Senator upon the floor to-day who believes that there is more money in circulation now than there was 30 days ago or 60 days ago or six months ago? I will place in the RECORD at this point the facts—and they are facts that can not be disputed. I read from Form No. 1028, Treasury Department, of date December 31, 1931, which was the last day of last year, which would mean the first day of this calendar year so far as this record is concerned.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Massachusetts?

Mr. THOMAS of Oklahoma. I yield.

Mr. WALSH of Massachusetts. The Treasury Department, as the Senator knows, has stated that the trouble with the country is not the shortage of currency, but the contraction of credit. I should like to have the Senator's view upon that allegation, which is made by the Treasury Department in opposition to the bill.

Mr. THOMAS of Oklahoma. I am delighted to have that question asked and will endeavor to answer it. Mr. President, there is just as much difference—

Mr. WALSH of Massachusetts. May I add that the Treasury Department says that the passage of this bill would increase the contraction?

Mr. THOMAS of Oklahoma. Yes, Mr. President; and yesterday the Assistant Secretary of the Treasury told the committee that there was more money in circulation now than there was a short time ago, but when confronted with the facts he had to admit that he either did not know or presumed what he had stated to be so. There is as much ignorance in the Treasury Department about money, if it be possible, as there is here in the United States Senate. [Laughter in the galleries.]

The VICE PRESIDENT. Let there be no demonstration in the galleries.

Mr. THOMAS of Oklahoma. Mr. President, there is just as much difference between the amount of money in circulation and the amount of money on deposit in the banks of the Nation as between day and night. Six months ago all the banks in this Republic had on deposit \$50,000,000,000 in money, so they claimed; yet there has not been a night in 10 years when these same banks have had in their vaults the sum of \$1,000,000,000 in gold, silver, and paper, the kind of money with which one can go across the street and buy his lunch at this hour of the day. Many people think that when the banks have \$50,000,000,000 on deposit it means that the banks have \$50,000,000,000 of gold, silver, and paper in their vaults. I yield for anyone to challenge my statement.

Mr. President, the banks did have on deposit \$50,000,000,000 of deposit money, or credit money. Let me tell my good friend from Massachusetts the kind of money they had on deposit. In former times when business was good and people could borrow money, a farmer would go to a bank and say, "Mr. Banker, I want \$1,000," and the banker would say, "Yes, Mr. Jones; I am glad to accommodate you; sign this note." And the farmer would sign the note, and immediately the banker gave Mr. Jones credit on his pass book for a deposit of \$1,000 in the bank. Had the farmer paid a single penny into the bank? Not a single penny, and yet when night came and the tabulation was made the deposits of that bank had jumped up \$1,000. That is the kind of money that makes up the \$50,000,000,000 of deposits, of credit money in the banks of the Nation. The banks were full of that kind of money once, but during the last few months they have lost more than ten billions of it, and now the banks are so impoverished that the Comptroller of the Currency is afraid to ask the banks to make a statement of their present condition. Yet we are told upon this floor that the banks are full of money and we do not need more money. Credit money, deposit money is the kind of money that is in the banks. It is credit money; it is deposit money; it was created by the constituents of the Senator from Massachusetts and of mine in the State of Oklahoma.

The banks still have those notes; the farmers still owe their notes; the bankers can not collect because the farmers can not pay. Why can not the farmers pay? They have not the money. Why do they not get the money? How can the farmers get money except in two ways? The first is to borrow money, and they can borrow no money now; and the second is to sell their products, but they can sell no more, because no one has money with which to buy; and yet we are told that the country is being drenched with money.

Mr. President, the value of the notes in the note-cases of the banks of America is problematical. When prosperity returns values will return to the products of the farm, and mine, and factory. Then the notes may be paid and banks may return to normalcy.

It did not take me long to discover, Mr. President, when I came to the Senate that financial legislation does not originate in this body; it is not passed upon in this body. When the financial interests of New York City want a bill passed they have the experts in their banks get together and prepare the bill and they send it down to Washington. The most recent experience is that it goes to the White House, the White House issues invitations to a breakfast; at the breakfast the bill is unfolded, on the same day the bill is rushed to the Capitol, introduced in the House and Senate, and then we are kept here in the night time to pass the measure. So, if the metropolitan bankers are against any financial bill, the same chain works. They are against this bill, and the vote about to be taken will disclose the extent of the influence of the denizens of the caves of Wall Street.

Mr. President, is there any further question the Senator from Massachusetts desires to ask? If so, I shall be glad to answer it, if I can.

Mr. WALSH of Massachusetts. The Senator has, in part, answered my question; but I should like to have the Senator amplify, if he will, or explain, if he will, the assertion made by the Treasury that this measure, if enacted into law, will further contract credits in the United States; that the trouble with the United States to-day is the contraction of credit, and that there will be no revival of business until there is a loosening up of credit.

Mr. THOMAS of Oklahoma. I should like the distinguished Senator from Massachusetts to have the same conception in his mind that I have in mine. I may not make myself clear, but the \$50,000,000,000 on deposit in the banks of America are based upon the notes of the people of America. Those notes are secured by farm commodities, by the stocks and merchandise of factories; by industrial plants. To-day factories are not prosperous, they are making no money; the railroads are not prosperous, they are making no money; farmers are not prosperous, they are not making money. So the security backing this \$50,000,000,000 of deposits has vanished; it has gone; and until the bankers can see some way whereby value can be brought back into the securities they hold they will make no further loans.

Mr. President, I can not blame the bankers. I have made the statement frequently upon this floor that I can not blame the bankers of America for not making loans. The money in their banks is not their money; it belongs to their depositors. The capital stock is theirs, the surplus is theirs, their private deposits are theirs; but the mass of their deposits belongs to the farmers and tradesmen and business men who patronize those banks. The bankers are merely the trustees for those deposits; and so long as the farmers have no producing power, the farmer's security will be of no value; and so long as the industrial institutions are not prosperous and making money, they will likewise have no value.

The security now back of these deposits has withered, and until this security can be brought back the money that they have on deposit is of questionable stability. I can not blame them for not putting out more money.

The Treasury Department says: "We must have a return of prosperity, a return of confidence." Well, Mr. President, how are we going to get confidence among the people with 30,000,000 farmers—the largest single group of our people—to-day selling their cotton at 4½ cents a pound, wheat at 26 cents a bushel, hogs at 2.85 cents a pound? They can not pay their taxes. They can not even pay the interest on the notes that they have outstanding. If something could be done in line with the desires or the dream of the Treasury, fine! But what plan has the Treasury for bringing back an element of value upon which confidence may again be restored?

Banks can not loan money; they never will loan money until the commodities of the country regain some value and until the people of the country have something they can give as security, and the only way that can be done is to place additional money in circulation.

We tried to put money in circulation through the Reconstruction Finance Corporation. That was not money. It was just credit. They issued loans to the extent of \$700,000,000, and there has not been a single dollar placed in circulation—just bookkeeping credit.

What plan has the administration? What plan have the leaders on the majority side of the aisle? And what plan have we over here on my side for placing money in circulation?

The Garner bill might do it, but that is pigeonholed. The Goldsborough bill would have done it, but that has been killed; and all that is left now is the bonus bill.

I am for the bonus bill to help the soldiers, and yet I am for the bonus bill to help the other people of America; and it will help the other millions of our people more than it will help these poor boys in the Senate galleries.

I used an illustration on yesterday. I will do it again to-day.

Suppose, for example, in the State of my good friend from Arizona, in one of those fine irrigated valleys, a farmer there has an irrigated tract, just for illustration I will say of 100 acres. He would be rich indeed if he had an irrigated tract of 100 acres in Arizona or anywhere else. I use those figures only for illustration.

A farmer in Arizona has a farm of 100 acres, a productive farm; and, in order to make my illustration complete, I am going to use crops that are not produced in Arizona, but they are produced on the farm. This good land in Arizona, belonging to a good, old, honest American farmer, last year produced an abundant supply of wheat. He could not sell his wheat. He put the wheat in his granary, a thousand bushels of it. This irrigated land produced cotton in Arizona, and last year he raised 25 bales of cotton. He could not sell the cotton. He had it ginned, he had it compressed, and placed in his warehouse; and there is that good old farmer to-day, with the land as good as it ever was, with a thousand bushels of wheat in his granary and 25 bales of cotton in his warehouse.

He had a son when the war broke out—a patriotic son who volunteered and went to war and served honorably and came back; and a few years ago the Congress voted him a certificate of \$1,000. Times got hard out in Arizona. The veteran son of this good old honest farmer had to have some money. He borrowed \$500 on his certificate. That money has been used. There is still due him \$500; that is all.

Now, here is the picture: The farmer has his land. He has a thousand bushels of wheat, 25 bales of cotton, and he has a son with a \$500 certificate. If we pass this bill, immediately the son gets this \$500. What does the farmer get?

Perhaps you could not answer that question. Economists tell us, New York bankers tell us, that if this bill passes, it will bring down the buying power of the dollar so low that it will raise commodity prices out of all reason. If this should happen, and I hope commodity prices do go up, then wheat will increase in price and likewise cotton will increase in price.

If this bill will do what economists claim it will do, it will make money cheaper; and as money comes down, commodity prices will go up.

Let us see if it will have that effect. They claim it will. New York bankers claim it will. The enemies of this bill claim it will. The distinguished Senator from Pennsylvania [Mr. REED] says that we must not debase our money. If money does not come down, commodity prices will go up. What will happen to the farmer in Arizona?

In place of being able to get 26 cents a bushel for his wheat to-day, he might get \$2 a bushel for that wheat. He can get only 26 cents to-day. If he could get \$2 for it, he would make a profit of \$1.75 on 1,000 bushels of wheat, which would make him \$1,750 profit on his wheat alone.

To-day he can sell his cotton for only 5 cents a pound. That is \$25 a bale. Twenty-five bales of cotton at \$25 per bale means \$625—the worth of his cotton crop to-day. If cotton goes up to 10 cents a pound, he would get double. He would get double under the terms of this bill if it does what economists claim it will do. His cotton to-day is worth \$625. If cotton should be raised to 10 cents a pound the Arizona farmer would get \$1,250 for his cotton. If it went to 20 cents a pound he would get \$2,500 for his cotton. He would make \$1,750 on his wheat, and at 20 cents per pound for his cotton he would get \$2,500, so that the increase brought about by this bill would mean a profit of \$1,875 on his cotton, and remember he is not the veteran. He is only the father of the veteran. His son gets \$500, the amount we owe him; but by paying the veterans, if this bill does what its enemies claim it will do, it will raise commodity prices and give the farmers of America an increase in prices for their wheat and their corn and their cattle and their hogs.

If they could get those prices, Mr. President, in a few days they could pay their taxes. In a few days they could pay their interest. In a few days perhaps some of them could pay their debts. They could buy some new clothes. They could buy some shoes. If those things should happen, the stores of the country would begin to have some business. If the stores had some business, they would make demands upon the wholesale houses for more supplies. That would make business for the wholesalers; and when the wholesalers were low in supplies they would begin to make demands upon the factories, and the factories would have to go out and get men and buy raw material and buy coal and buy oil and buy gas with which to operate their factories.

Mr. President, I have said many times upon this floor that I am for this bill because it will help the soldier. But where it helps the soldier 10 per cent, it will help the population of America 90 per cent.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. Along the lines that the Senator is speaking at the present time, I want to suggest to him that I myself had a conversation with one of the leading industrialists of this country, a man who is looked upon by the conservatives of this country as one of the greatest financiers of the country. He made the statement to me that there was not anything so very bad about this bill; that it would do exactly what the Senator says it would do; that it would inflate our currency, and that it was necessary for the purpose of bringing up commodity prices. He stated that the only bad feature about the bill was that other groups might come down and demand exactly the same thing that we are doing for this particular group.

I want to say to the Senator that I am going to vote for the bill, and I am going to vote for it because of the fact that the one thing that is necessary to be done in this country to bring about prosperity is to bring up the commodity price levels of the farm commodities and other things that have to be sold upon the world market.

Mr. THOMAS of Oklahoma. I appreciate the statement just made by the distinguished Senator from Montana.

Gentlemen of the Senate, the issue before this body at this hour is between two groups, one group who think we have too much money in circulation and another group who think we have too little money in circulation. When you vote, place yourselves upon the respective sides of that question. You who think we have too much money in circulation vote against this bill. You who think we have too little money in circulation I ask you to vote for this measure.

Mr. President, a vote for this bill will, in my judgment, discharge an honorable, an admitted, a patriotic debt that this country owes to three and a half million of its brave defenders. If this bill should pass, it will place more money in circulation. On the 1st of last January, as I started to

tell you a moment ago, there was in circulation the sum of \$5,641,000,000. On yesterday at 4 o'clock there was in circulation \$5,467,000,000. In other words, on yesterday at 4 o'clock there was \$174,000,000 less in circulation than there was on the first day of this calendar year, and yet through the public press the people have been advised that the Federal Reserve Board was placing money in circulation through the open-market operations of buying Government bonds.

Mr. President, during the past three months the Federal Reserve Board has bought \$900,000,000 worth of Government bonds, and paid for those bonds with Federal reserve money; yet, in spite of that record, in spite of putting \$900,000,000 in circulation, to-day we have \$174,000,000 less of money in existence, outside of the Treasury, than we had when we started the open-market operations.

What has happened? The Federal reserve banks have bought these bonds. They have bought them from the banks; and the banks, of course, have sold them to the Federal reserve system. The moment the banks selling the bonds receive the money, they send it back to the Federal reserve system to pay their loans; and to-day the policy of the Federal reserve system, through its open-market operations, has enabled the banks of the country to pay their obligations to the Federal reserve system. Less money is in circulation to-day than six months ago; and the old economic rule comes back to work. When wheat is scarce, wheat is high. When cotton is scarce, cotton is high. When wheat is plentiful, wheat is low. When cotton is plentiful, cotton is low. Now we have wheat plentiful, and selling for 26 cents to the farmer. Now we have cotton plentiful, selling for 4½ cents a pound to the farmer. The economic rule works with money just the same as with commodities. When money is plentiful, money is cheap; when money is scarce, money is high, and since the first of the year, the Federal Reserve Board, the agency of this Congress, has contracted the currency \$174,000,000. Yet wise Senators are wondering why each week commodity prices and wholesale prices keep on going down and down and down.

Mr. President, if this bill should pass, it would place more money in circulation, it would reduce the value of money. The dollar would not buy as much, and that is the reason why influential forces, those who control this Nation, are against the bill. It would cheapen the dollar. I hope it will, and that is one reason I am for the bill. It will cheapen the dollar. Yet I am not in favor of the dollar going as low as the mark did in Germany. It will not go that low.

During the war we had six and a half billion dollars in circulation. Now we have only five and a half billion in circulation. When the war was over we had a billion dollars more money in circulation than we have at this good hour, and that billion dollars of money in circulation more than we have now was responsible for wheat selling for \$2.50 a bushel and cotton for 40 cents a pound, and other things in proportion. But the folks who govern this Republic did not want cotton to sell for 40 cents a pound; they did not want wheat to sell for \$2.50 a bushel. Then they invoked the economic rule by making money scarce, and during the first 15 months after the famous McCormick resolution passed this body in May, 1920, the Federal reserve system withdrew and canceled approximately \$100,000,000 a month until some \$1,500,000,000 was destroyed, and when money became scarce, money became dear; and the higher went the dollar, the lower went the price of cotton, the price of corn, the price of wheat, and the price of livestock, and the price of the goods and commodities produced in the State of my good friend from California.

The policy which is now in vogue, if not stopped, will force these prices lower. Wheat could sell for 10 cents a bushel and cotton could sell for 2 cents a pound. The vote on this bill will be a vote in favor of making money scarce or in favor of making money plentiful. If you want to make money scarce, vote against the bill. Thus the Senate will say to the Federal Reserve Board, "Your policy of making money scarcer is hereby approved."

Mr. President, if this bill should pass, in addition to paying the debt due the millions of our veterans, in addition to making money more plentiful, in addition to reducing the value of the dollar, it will reduce taxes. I make the positive declaration that if this bill passes it will reduce the taxes of the people of the Nation.

To-day it takes a flock of trucks for a farmer to haul enough wheat to the county seat to pay his taxes. Pass this bill and raise the price of wheat, and one truck filled with wheat could be taken to the county seat and the wheat sold for enough money to pay the taxes on an average farm of the country.

I make the positive statement that if this bill passes it will reduce taxes and the interest of the country. If it reduces taxes it will reduce interest and will reduce debts.

If this bill passes, and if it will have the effect I claim it will have, it will raise commodity prices. It will raise the price of sugar; and instead of a sugar grower in Utah, the State of the distinguished chairman of the Finance Committee, having to have a train to haul enough sugar to market to pay the taxes on his farm, he can take a medium-sized truck, perchance, and haul enough sugar to the market to liquidate his taxes.

This bill will pay the debt due the soldier, it will reduce the taxes of the Nation, it will reduce the interest of the Nation, and it will reduce the debt of the Nation.

Mr. President, we have been fighting in this body for months over salary reductions. If this bill should pass, if the dollar should be brought down in buying power, that would have the effect of cutting the salaries of every employee of the United States. Perchance I should not stress that point. I will let my statement stand in the Record, however. It is a fact that if this bill should pass it will not cut the number of dollars the employees receive, they will still get their \$10,000 per annum, or their \$5,000 per annum, or whatever the salary is, but the dollars will not buy as much. It will have the force and effect of decreasing the salary of every man and woman in the Republic.

Mr. President, we passed a bill a few days ago raising rates of taxation upon the taxpayers of the United States. I made the statement then, and I make it again, that the mere raising of tax rates will not necessarily raise revenues. At the present time the income-tax payers have no incomes, and hence under the law they are not obligated to pay any income taxes. We could have raised the rates under the income brackets of that bill a thousand per cent, and if the people have no incomes, it would not raise a single dollar.

Mr. President, in that bill we raised the rates upon corporations, but under the law unless corporations make net profits, they pay no taxes, and to-day not only are corporations making no net profits, but many of them have no gross profits, because they are closed and not operating. Raising rates of taxation upon corporations will not necessarily raise additional revenues.

Where are we to get the revenue to run this Republic? We find ourselves with a \$4,000,000,000 Government with less than a \$2,000,000,000 income. This bill proposes to put some money in circulation and get it out among the people. If that is done, there will at least be that \$2,400,000,000 which the people might spend. Eventually some of that would get into some of the taxable brackets and get into the United States Treasury in the form of taxes. But if something is not done, I wonder where the people of the United States are to get the money to pay the expenses to run this, the most expensive Nation on the globe? I am for this bill because it will assist the people in securing funds with which to pay their taxes.

Mr. President, if this bill should pass, it would do the identical things I claim it will do, because economists say it will, because those who oppose it say it will. When I introduced a bill on this identical question I placed in the Record a statement, and some opponent of the measure with more time, perhaps, than ability saw the bill, and he proposed to write a book about the bill and challenging the

statements I had made. I placed some of his statements in the RECORD.

This writer admitted that the bill would do the things I said it would do, would cheapen money, and because it would cheapen money, because it would place more money in circulation, because it would help the farmer and the producer, because it would hurt the men who have fixed investments, he said the bill should not pass.

To-day when the roll is called, if you want to help those who have their wealth in fixed investments, kill this bill. On the other hand, if you want to help the veterans, the farmers, the owners of factories, the miners, and if you want to help the 120,000,000 people of America, I implore you to vote for the bill.

Mr. President, a moment ago I made a statement to the effect that bills were recently passed by the Congress, and especially by the Senate, in the nature of relief, in the nature of doles, and for the benefit of the big business concerns of this country. That statement can not be challenged.

Just a few days ago the Pennsylvania Railroad received a loan of \$17,500,000 from the Reconstruction Finance Corporation. Other railroads have received appreciable amounts. It is the purpose of the Reconstruction Finance Corporation to make loans, to grant relief, to grant bonuses, to grant doles to the biggest concerns in the Nation.

Mr. President, there is a Latin phrase which, if I remember it correctly, runs something like this, "Pro bono publico." The interpretation of this phrase may become an issue in this campaign. What do those words mean? We are going to say in a few moments what they mean. If you kill this bill, you interpret that Latin phrase to mean, "Bonus for big Republicans." If you pass this bill, you interpret it, "Bonus for the people of America."

Mr. SHORTRIDGE. "Bonus for big Democrats," too, you might just as well say.

Mr. THOMAS of Oklahoma. I do not challenge that statement.

Mr. SHORTRIDGE. Why does the Senator say "big Republicans"?

Mr. THOMAS of Oklahoma. Because it is so nearly universally true, let me say. I am not the sponsor for the class just now alluded to by my distinguished friend from California. I regret that that class has such power and such influence over those on my side who wear the garb of Democracy.

Mr. President, I shall vote for this bill, but before I take my seat I desire to place in the RECORD a short statement found in the RECORD already, but I desire to have it placed in the RECORD at this point in connection with my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

BENEFITS CLAIMED THROUGH BILL

The enactment of the proposed measure will, I claim, bring about the following results:

First. It will adjust a long drawn-out controversy with the ex-service men by paying them in full the amount of an obligation now by law admitted and acknowledged.

Second. It will increase the actual cash in practical circulation to an amount almost double that in circulation to-day.

Third. It will distribute such additional circulation uniformly to all parts of the country.

Fourth. It will reinvest directly and immediately more than three and one-half million men and their families with buying power.

Fifth. It will help directly a class of our citizenship not yet reached by any relief measures passed or proposed.

Sixth. In addition to helping the veterans it will help the farmer by providing funds in the hands of million with which to purchase the farmers' produce.

Seventh. In the same way the farmers will be benefited, the small stores, the large stores, wholesalers, factories, truck lines, railways, and banks will be benefited.

Eighth. To the identical extent that small business is benefited the big business concerns will profit in added business and consequent dividends.

Ninth. The bill, if enacted, will serve notice to the people that money, instead of getting scarcer and thereby dearer, will become more plentiful, and to such extent as it becomes more plentiful it will become cheaper.

Tenth. Such notice that money is to become more plentiful and thereby cheaper will have the immediate effect of thawing out the money frozen in hidden places, as well as the money in the safety deposit boxes and the credit and money in the bank vaults of the country.

Eleventh. Such notice will serve to cause merchants to place orders to replenish their empty shelves and such orders will react on wholesalers, factories, the producers of raw materials, and on each and every class of wage earners.

Twelfth. As money comes down in buying power, commodity prices of all kinds will rise, and this is the identical end that all, save the favored few, are now demanding should be accomplished.

The bill, if enacted into law and if it will do what I have outlined, will bring about the following concrete definite results:

- (a) Will advance prices of commodities.
- (b) Will decrease the value of all debts.
- (c) Will decrease the value of all interest.
- (d) Will decrease the value of all taxes.
- (e) Will decrease the value of all salaries.
- (f) Will help the debtor class.
- (g) Will prevent further bankruptcies and bank failures.
- (h) Will put money in circulation and make it possible for the people to pay their taxes in support of local, State, and the Federal Government.

(i) In addition to the foregoing it will, I claim, help immediately and directly the great masses of our people in that it will raise prices, stimulate business, add value to property, add value to the collateral now pledged for loans, and thereby enable borrowers to repay the loans, and will bring a definite and speedy end to the worst depression in history.

Such results, I claim, will come from the enactment of this measure.

Mr. THOMAS of Oklahoma. Mr. President, following that statement, I desire to place in the RECORD a statement showing the amount of benefit which the several States will receive if this bill passes.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Amounts due veterans on certificates, by States

Alabama.....	\$29,876,840
Arizona.....	7,411,302
Arkansas.....	25,373,058
California.....	136,500,005
Colorado.....	21,514,464
Connecticut.....	29,902,203
Delaware.....	3,918,525
District of Columbia.....	18,198,685
Florida.....	24,469,835
Georgia.....	35,151,645
Idaho.....	8,248,500
Illinois.....	157,543,750
Indiana.....	59,254,650
Iowa.....	46,574,480
Kansas.....	34,934,250
Kentucky.....	38,064,000
Louisiana.....	31,168,150
Maine.....	13,446,550
Maryland.....	31,140,525
Massachusetts.....	82,376,144
Michigan.....	85,407,400
Minnesota.....	53,105,250
Mississippi.....	21,456,974
Missouri.....	67,608,904
Montana.....	11,424,128
Nebraska.....	24,227,271
Nevada.....	1,988,889
New Hampshire.....	8,084,753
New Jersey.....	77,317,513
New Mexico.....	6,257,550
New York.....	245,948,177
North Carolina.....	38,794,117
North Dakota.....	9,738,745
Ohio.....	117,878,406
Oklahoma.....	39,815,376
Oregon.....	22,978,122
Pennsylvania.....	172,888,542
Rhode Island.....	13,731,012
South Carolina.....	21,349,617
South Dakota.....	13,074,391
Tennessee.....	36,318,844
Texas.....	95,655,800
Utah.....	8,930,767
Vermont.....	5,604,408
Virginia.....	41,006,200
Washington.....	37,874,647
West Virginia.....	25,976,846
Wisconsin.....	52,438,873
Wyoming.....	7,144,348

Mr. THOMAS of Oklahoma. Mr. President, in order that those who may be interested in this may have the amounts

presently in mind, I will read, in round figures, what the States would receive:

Alabama \$29,000,000.

Arizona \$7,000,000.

Arkansas \$25,000,000.

California \$136,000,000.

I wonder if the good people of the sunny State of California could use \$136,000,000 at this particular time.

Colorado, \$21,000,000.

Connecticut \$29,000,000.

Delaware \$3,000,000.

District of Columbia \$18,000,000.

Florida \$24,000,000.

Georgia \$35,000,000.

Idaho \$8,000,000.

Illinois \$157,000,000.

I wonder if that would fall like a pall upon that financially embarrassed and dejected city bordering upon Lake Michigan.

Indiana, my native State, gets \$59,000,000. I have more than a thousand relatives in that State. I know their condition. This money would be most welcome to the community wherein my relatives live.

Iowa \$46,000,000.

Kansas \$34,000,000.

Kentucky \$38,000,000.

Louisiana \$31,000,000.

Maine \$13,000,000.

Maryland \$31,000,000.

Massachusetts \$32,000,000.

Mr. President, this sounds like calling the roll in a Republican National Convention. [Laughter.]

Michigan \$85,000,000.

Minnesota \$53,000,000.

Mississippi \$21,000,000.

Missouri \$67,000,000.

Montana \$11,000,000.

Nebraska \$24,000,000.

Nevada \$1,000,000.

New Hampshire \$8,000,000.

New Jersey \$77,000,000.

New Mexico \$66,000,000.

New York, \$245,000,000.

I wonder if that would help the banks on that short and crooked street starting at the river and ending at the cemetery?

Mr. President, if something like this bill does not pass, those gigantic financial and banking structures in Wall Street may not long be used for their present purposes. If some change does not take place, they, like the farms, mines, and factories, will close and become the abode of bats and owls. Only a few years ago in Russia they had some of the finest bank buildings in the world. They were not as tall, but were elegantly constructed of the finest marble, bronze, and glass. I saw them only recently. From those fine bank buildings of Moscow and Leningrad the bronze was gone, the glass was broken, and the rooms were empty. Where once were banks with connections throughout the world we now see Russian peasants peddling their potatoes, their cabbage, and their wares. I would not suggest that this might happen to Wall Street. But Wall Street lives upon this Republic. Wall Street does not exist upon that little narrow, crooked street. Wall Street does not live upon the city of New York. Wall Street does not live upon the State of New York. Wall Street gets its prosperity, when it enjoys prosperity, from the wide stretches of plains and prairies reaching from the North to South and from East to West. When the people are prosperous Wall Street is prosperous. When the Nation is impoverished Wall Street is impoverished, and when calamity comes Wall Street does not escape.

North Carolina \$38,000,000.

North Dakota \$9,000,000.

Ohio \$117,000,000.

Oklahoma—I am proud that we will get \$39,000,000. That is not a meager sum. We have 100,000 veterans in my State. Three hundred of them are here, many in the gal-

leries, now. They need the money. They want the money. Their buddies back home need the money. Their buddies back home want the money.

Mr. President, Oregon gets \$22,000,000.

Pennsylvania gets \$172,000,000; and the great City of Brotherly Love, which casts its shadow almost over the capital, has not enough money to pay its teachers, its policemen, its firemen, and its public officials. I wonder if Pennsylvania is opposed to having brought to that State this vast sum of money of which Philadelphia would get its proportional share?

Rhode Island \$13,000,000.

South Carolina \$21,000,000.

South Dakota \$13,000,000.

Tennessee \$36,000,000.

Texas—the State of Texas, as large as all New England, a State hundreds of miles north and south and likewise hundreds of miles east and west, an empire that could be divided to make many States the size of some we already have in this Republic—gets \$95,000,000.

Utah would only get the measly sum of \$8,000,000. I do not blame the good Senator from Utah [Mr. Smoot], the chairman of the Finance Committee, for being opposed to the bill when, under the terms of the bill, New York is to get the sum of \$245,000,000, Illinois \$157,000,000, Pennsylvania \$172,000,000, and poor little Utah will get only the measly sum of \$8,000,000. I do not blame the distinguished Senator for opposing the legislation. But I do blame other Senators whose States will receive multiplied millions under the terms of the bill and whose constituencies in their States will be called upon to pay only a few meager millions.

To the South and the West this is a business proposition. New York made it so. Pennsylvania has made it so. Illinois perchance has made it so. They claim they will pay more in taxes to pay the bonus than they will get from it. But they must pay it after while anyway. They want to postpone the evil day as far as they can toward 1945. But these poor States out in the South and the West, whose sons need this money, who want to collect this judgment, are getting more for their States than they are paying in taxes. I wonder how the Senators from those States are going to explain to their folks back home their poor business judgment? Some Senators make bold to say that they oppose this bill because the burden falls unjustly upon their States.

Vermont will receive \$5,000,000.

Virginia, the mother of Presidents, gets \$41,000,000 of this money.

Washington \$37,000,000.

West Virginia \$25,000,000.

Wisconsin \$52,000,000.

Wyoming \$7,000,000.

Mr. President, I shall vote for this bill. At the same time I will keep a close tabulation of the votes and before the result is announced, if my forecast is correct that the bill is to be defeated, I will change my vote from yea to nay. I shall do it for but one purpose, and that is in order that I may enter a motion to reconsider the vote by which the bill fails of passage. Immediately after the vote is announced I will enter a motion to reconsider the bill, in the hope that we may yet secure enough votes to pass the bill.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. LEWIS. May an amendment to the bill be submitted now to be laid on the table and abide its proper time for a vote?

The PRESIDENT pro tempore. That may be done only by unanimous consent, the bill having been read three times and the pending question being, Shall the bill pass? The yeas and nays have been ordered on that question.

Mr. LEWIS. I gather that by unanimous consent only may an amendment be tendered to the bill.

The PRESIDENT pro tempore. If unanimous consent is granted to reconsider the vote whereby the bill was ordered to be read a third time, then the bill would go back to the second reading and the Senator could offer his amendment.

Mr. LEWIS. I would not trouble the Senate so far.

Mr. NORRIS. Mr. President, in my public service of 30 years in Congress I have never failed to vote in favor of any bill coming before Congress that in any way favored or helped the ex-soldiers of any of our wars. I hope that my vote to-day may not be construed as a deviation from that course.

No man living, Mr. President, has a greater hatred for war than have I, and yet I believe I tell the truth when I say that no living man is in favor of going farther for the benefit of an ex-soldier than am I. I have listened to the eloquent addresses that have been made to-day in favor of the bill. With a very great majority of what has been said in its favor I most heartily concur. I heard the Senator from Indiana [Mr. ROBINSON], himself being a veteran of the World War, in his eloquent address condemn war in terms that are never surpassed and seldom equaled. I believe if we could listen to the voices of every one of the 17,000 veterans who are encamped around the Capital, the condemnation of war given by the Senator from Indiana would receive unanimous approval.

Mr. President, I am one of the oldest men in this Chamber. I realize that not many years in the usual span of life are yet spared to me. I realize, too, that in my long public service I have made many mistakes, that I have often been compelled to vote upon important measures when I was insufficiently informed to cast an intelligent vote. I realize, too, that my judgment has undoubtedly been wrong many times. Condemnation has been visited upon me by party men, and during the war by men whose patriotism was at least 200 per cent, that I had been unworthy of the place of honor which my people have seen fit to give me. I realize when I follow the dictates of my conscience and go contrary, as I have many times, to the alleged leaders of my party many honest party men condemn me in the severest terms.

Mr. President, I have in my hand the roll call of the Senate taken on our declaration of war against Germany. I find there the names, six in number, of Senators whom the older Members of the Senate will remember well. I am one of the six who cast a negative vote upon that occasion. The other five have gone to their reward, and, as I said a while ago, it can not be many years until I must follow those five comrades who voted with me on that occasion. There were never six men condemned in more severe terms than were we. I do not want to be understood, Mr. President, as casting any reflection upon the other Members of the Senate who voted the other way on that occasion. I believe they were moved, as I claim I was moved, by the conscientious conviction that in their vote they were performing a patriotic duty. But it was a day of wild excitement; there had been a powerful propaganda spread abroad. Millions of money had been spent to drive us into that great carnage. Thousands of newspapers had been influenced; all sorts of reports and stories were circulated, afterwards even at Government expense, to deceive the people of the country, as the people of every other country were deceived, as to what the contest really meant and who was to blame for it all.

In my own mind, at least, I obtained personal vindication, to a great extent, from listening to the words of one of those soldiers to-day in this Chamber. We now know, as the Senator from Indiana [Mr. ROBINSON] said a while ago, that, while we were taught to believe that this was a war for democracy, that it was a war to end war, we were deceived. It did not end war, and as the Senator from Indiana has said, and I can say it because I think I run no risk in repeating the words of a veteran of that war—other countries of the world and our own country have been worse off—thousands of times worse off—on account of that war.

I sat here as a Member of this body, Mr. President, while that war was on and listened to the speeches made by representatives of our allies across the sea. With others of my brethren here, I wiped away the tears that rolled down from my eyes on those occasions, and when I heard them tell of the noble purposes they had in view, how they were going to free the world from autocracy, how they were going to make the world at last respond to the sentiments and the

heartbeats of the common people, I wondered, Mr. President, especially on one occasion when we were listening to the eloquent addresses of representatives of three of our allies, if I had been wrong when I voted against the declaration of war. I learned afterwards, however, Mr. President, that when we listened to the honeyed words of those representatives of our allies across the sea, pretending brotherhood of man and love of humanity, their pockets were bulging out at that very moment with secret treaties, concealed from us, by which they had agreed at the end of the war to divide up the world amongst themselves.

Mr. President, I have seen the things occur that eloquent Senators have described to-day. I believed at the time my vote was cast that war was wrong; I believed then we ought not to take that awful step; but I wondered if I felt that way because of early teachings when I was a child at my mother's knee, a widowed mother, who told me of the War between the States and how my brother, my only brother, had, even against her prayerful entreaties, gone to the front and there gave up his life in defense of the Government's cause. I wondered if that had not unconsciously perhaps moved me too far in my hatred of war; but when I see veterans now of the World War telling of the terrible carnage, when I read the history of the hell through which they had to go, I believe I did right. So whatever mistakes I may have made, Mr. President, I believe there is one act, if I am the only one in the world to say it, of which I may be proud, and that is my vote against the declaration of war.

Mr. President, the six Senators who voted against that declaration suffered a torture and a torment the world has never understood; the tale has never been told how they were hounded, how their footsteps were followed, how they were shadowed, how all manner of things were attempted to bring about their downfall and their ruin. I see one or two names on the list now before me, Mr. President, of men whose death, I know of my own personal knowledge, was hastened by the torments and the unjust criticism to which they were subjected on account of that vote.

I know of my own personal knowledge something about it. I have had my office searched; I have had my life since I left the cradle traced; my home in my absence has been hounded by the secret sleuths, sometimes by those of the Government of the United States, trying to find out something about my life that might be used to break me down.

It has its comic side, too, Mr. President. During the war, as I have said, many of these men came to my home; and one day in my absence one who came to my house, as many had done before, asked my wife all kinds of questions about my life and my history. On that one occasion my wife was asked whether it was not true that I had descended from German parentage; and, truthful and honest as she was, she had to tell the truth, and so she said to this sleuth: "Yes; his stepfather was a Pennsylvania Dutchman." [Laughter.]

Mr. President, we have heard here to-day about the way we compensated big business; it is all true, and it has been told in more beautiful language than I can command. We have heard how we paid and paid at once the railroads; that is true. I think some have mentioned, coming down to later days, the moratorium; that is true. Mention has been made how we opened up the Treasury of the United States when we established the Reconstruction Finance Corporation. It is all true; we did it all; and the things I have just mentioned we did under the leadership and the command of the President of the United States. We approved the moratorium, and did it by wire, when we were not assembled, in answer to the messages that came from the White House. We forgave \$250,000,000 when we were in sad need of it, and when the debtor governments had the money ready with which to pay, and one of them, I understand, had already paid and had the sum refunded. That is all true. We provided for a direct appropriation of \$500,000,000 for the Reconstruction Finance Corporation, made directly from the Treasury. We provided for the issuance of bonds of that corporation to the amount of

\$1,500,000,000, guaranteed both as to principal and interest by the Government of the United States, so that they are the direct obligations of our Government. That is all true. That was all done for bigger business—corporations, railroads, banks.

Some of it did some good, I think. A man would be crazy indeed, if you would give him \$500,000,000 in cash and securities for \$1,500,000,000 more, if he could not do some good with it. But the depression keeps on. We have chased around all the corners in the country and have not yet overtaken prosperity. We have lavishly given the money and the credit of our Government to carry on these things; and now we are confronted with several thousand ex-soldiers asking that their compensation certificates be paid.

I am not disputing the justice of it. I was one of those who were in favor of paying it all at the time we issued the certificates. I would pay it all now if I thought we could do it without danger to our Government itself. The only defense I have personally, I want to say, is that I voted against and talked against and worked against every one of these things. I did not believe they were going to bring prosperity. I thought we were commencing at the wrong end. Instead of commencing with big business, I thought we ought to commence with the laboring class and the farmers of America, and let prosperity climb up, rather than to take the chance of having a few crumbs brushed off the mahogany-top tables while we would grovel on the floor and pick them up.

But that is done. It is over. That much of our credit is gone. Our Government is in that much worse fix than it was to begin with. And so, while I think it is proper, and I am not complaining of those who use it now as an argument in favor of this bill, I still believe that we can not make things right by piling another wrong upon the many wrongs which we must admit we have already committed.

As I understand, Mr. President, only about one-third of the unemployment can be traced to the veterans of the war. I am not claiming those figures are right, but that assertion has been made. I have not heard it contradicted. At least, we all know that unemployment is not confined to soldiers; and what I think would benefit these soldiers more than anything else would be to let them keep their certificates and give them jobs.

Jobs, Mr. President, is what the country needs for its unemployed. If there were no unemployed outside of the ranks of the veterans of the World War, I would not hesitate to vote for this bill; but that will not meet the question. It will still be staring us in the face; and I believe, as firmly as I believe anything, that if we pass this bill it will be an impossibility to pass an unemployment bill at this session of Congress. This will be used as an argument against it. This will be used effectively as an argument against it.

I think we could provide for unemployment in a way that would take care of all the veterans and everybody else; and in this crisis there is no difference between a veteran and a young man or a young woman who has come to maturity since the war. Our sympathies, perhaps, would be greater, because, if we are patriotic, regardless of the cause of the war, we certainly would have a sympathy for the man who bared his breast to the enemies of his country that we would not have for the ordinary citizen. I concede that; but when it comes to suffering, when it comes to taking care of those who are starving, when it comes to clothing the naked and warming those who are shivering with cold, there can be no distinction. The little child whose parents may have even been on the enemy's side of the world controversy must be cared for the same as the child of our own citizens if the child is here. We can not turn our eyes away from human suffering. In a country bursting with an oversupply of food we have millions of people suffering for the necessities of life. In my opinion, the only thing that is going to alleviate this condition is an unemployment measure on a country-wide scale with billions behind it; and that means the soldiers who are here now asking for the passage of this bill will get jobs the same as everybody else.

I see no way to escape that conclusion. Much as I dislike to see my country issue bonds in time of peace, Mr.

President, I think we will have to come to the conclusion that our country's life is in more danger to-day than it was either before or during the great World War. A great crisis confronts us now, and the crux of it all is this: Let men who want to work have work, so that they can buy the food the farmer produces; so that the men who are selling clothing and food will be able to hire clerks and pay them wages; so that the factories that will make the tools and the other machinery necessary to carry on a great unemployment campaign will all have their wheels started, and business will commence again, and in its thousands and thousands of ramifications, employment and prosperity will come up everywhere.

It is not a desirable condition, I admit, even to carry out that program; but if anybody has a better one, I should like to follow him. If anybody has any other plan that will give jobs to the unemployed, I should like to help him get it. While I have said before on the floor of the Senate that I thought it was a mistake for these soldiers to come to Washington and camp around the Capitol, although I said then that it was a free country and they had a perfect right to do it if they wanted to, I am reaching the conclusion now that the coming of this vast army is going to accomplish a world of good.

In the first place it has convinced the country, it has convinced Congress, it convinced everybody that these men are the highest type of citizenship; that these men, orderly and sober and industrious, are only asking for a right to live under the flag for which they fought. The way to let them live is to give them jobs. Let them keep the evidence of indebtedness that the Government of the United States owes them, to be paid in the future. Give them an opportunity to work. Give them an opportunity to earn something upon which to live and to support their families. That is what they need. That is what 99 per cent of them would rather have than anything else. Give them an opportunity—and, while you are giving it to them, give it to all their brethren in this country, whether soldiers or not—to work, to earn a living instead of becoming subjects of charity; to have jobs, to earn their own living, to earn their own money, and thus start the wheels of prosperity to turning.

If this will not work, if this will not do, then I do not know what will. If something of this kind will not work out, then our civilization is doomed. I see no escape from it, and I do not want to put anything in the way of bringing about that condition. I do not want to do an injustice to these soldiers; but I do not want even to do justice to them if by doing justice to them I do injustice to somebody else. They are like our other citizens who are unemployed. They want work, and we ought to see to it that they get work.

I claim no superior wisdom; but when I came back here last December, I introduced a bill providing for the issuance of \$3,000,000,000 in bonds—perhaps that was not enough; perhaps that ought to be increased—to be used in public works. I do not like to do a thing of that kind. It is a sad commentary upon our Government when we are required to do it in time of peace; but I would rather give jobs to people, even though it is through the issuing of governmental bonds, than to feed millions in charity against their wish, if they could have their real will. I would rather issue bonds and give jobs than to issue bonds and use the money for charity; and that is what we will have to do. We have gone through one winter without taking the Federal Government into the picture, and it has strained the nerves and the capacity and the patriotism of all the charitably inclined people throughout the United States to carry on during that winter. They can not do it another winter. If we had started last December and enacted the necessary laws, we would have been able when spring came to put millions of men to work, and the scene we have to-day would not be here.

So, Mr. President, right or wrong, it seems to me that at least for the present we should not pass this legislation. I am not unmindful of what the Senator from Oklahoma said, and I want to say to him that if this bill is defeated and Congress does not do something for the unemployed, and

if the President of the United States prevents it becoming a law when we do pass a bill looking to that end, then, as a last resort, I would give my approval to a measure of this kind.

At the present time I believe it would be a stone in the pathway of that kind of a program, and I am measuring my words, because I know that the same influences which have been mentioned by the Senator from Indiana, the Senator from Wisconsin, the Senator from Iowa, and the Senator from Oklahoma are opposed to the plan I am talking about. I realize that at the present time the Treasury of the United States is opposed to it. But these men have come over a great way since last December. Then the President of the United States was against the Federal Government doing anything of a constructive nature to help unemployment. Conditions have been growing worse. The resources which he called upon have been exhausted, and the Federal Government alone stands between destruction of our Government itself and some method by which the unemployed can be given an opportunity to earn an honest living.

Mr. SHIPSTEAD. Mr. President, I think it is well known that if you are going to fertilize a tree, you ought to fertilize at the root of the tree and not the top. If you put fertilizer on the top of a tree, you kill the tree. If you fertilize the root of the tree, the whole tree will grow and benefit. I make that statement because I fear that in so much of the relief legislation we have passed we have been fertilizing the top of the tree instead of the root.

I am going to vote for this bill, and I have no excuse for voting for it. I have some reasons. I am not going to vote for this bill because these veterans sit here in the galleries. No more orderly group of petitioners have appeared in Washington since I came here. It has been said in the newspapers that Senators have said they would refuse to vote for this bill so long as the veterans were here. I can not believe that such a statement has been made. For a Senator to make such a statement would be as improper as it would be for a judge to say he could not render a proper decision because interested parties sat in his court. If any Senator has made such a statement, I want to remind him that in years of service in the Senate I have heard no Senator say that he would refuse to vote for a banking measure because bankers sat in the galleries or for a tariff measure because manufacturers happened to sit in the galleries, or for any other measure because some beneficiaries might occupy seat in the galleries.

Mr. President, I want to assure you that I am not going to vote for this bill because of its popularity. I realize full well how unpopular it will be to vote for this bill. Vote against this bill, and the yelping crowd of propagandists will call you statesman.

I want to say a few words in opposition to the arguments which have been made against the bill. The main argument has been, for instance, that those who are in favor of it are inflationists and would destroy the credit of the Government and destroy business, and because I believe that is not so is my excuse for imposing upon the Senate for a very short time.

In the first place, I beg you to remember and bear in mind who it is who says this is inflation, and then look upon the record and see how well they are qualified to warn and to advise the Government of the United States on the question of inflation. The people who call this an inflationary measure inflated the credit system of this country from 1924 to 1929, until it blew up like an overinflated automobile tire or an overinflated balloon. They furnish the same financial leadership advising the Government of the United States to-day, and I claim they are not qualified, and by their fruits we have a right to judge them. I claim their own record has disqualified them as advisers of the Government of the United States on matters of this kind. Their continued advice, if followed, will wreck the country.

I am accused of being an inflationist. I have never been an inflationist, and I am not an inflationist now. When the orgy of inflation was started by the banks of the United

States in 1924, in my humble way I tried to point out the dangerous road on which they were embarking and the serious consequences which would result. Not for the purpose of saying "I told you so" but to prove by my record that I have been opposed to inflation at a time when it was necessary to be opposed to inflation, I want to quote from the RECORD of the Senate under date of January 21, 1925. After addressing the Senate for more than an hour and a half on the policy which had then been inaugurated by those in control of the credit system of this country, I concluded with these words:

It seems scarcely necessary to comment upon such a condition. The facts speak louder than any denunciations that can be framed. The facts are from ex cathedra sources—from New York leading financial authorities and from Federal reserve reports. They tell their own story to the country at large, the story of a Wall Street stock market "jamboree" financed by the United States Treasury. The check upon Wall Street control, the purpose for which the Federal reserve was originally created, has been destroyed, and the Government agency turned into a force to perpetuate and magnify the evil. The result is called prosperity of the American people and sound finance.

I quoted on that day from the *Annalist*, and Mr. Parker Willis, who said:

H. Parker Willis, a former official of the Federal Reserve Board, in a special article published in the *Annalist* charges that the Federal Reserve Board has pushed into the market \$1,100,000,000 by purchase of securities, and that besides this "open-market work" the Federal reserve banks, "under instructions of the Treasury," have forced into circulation as much of the gold coin in their possession as the market could absorb.

Even now we know not what hour the bubble may burst and the 1924 stock inflation, like others before it, produce disaster to the many and endanger panic. The country will survive. It is the greatest and most enduring that man has happily created. But let us not trifle with the corner stone of its foundation—the faith of 100,000,000 people.

We have had in the last few weeks an inflation of approximately \$6,000,000,000 of paper profits, and the public is led to believe that it is all based upon a sound economic condition of the industries of the country. An unprejudiced survey of the earning power and production capacity of the industries of the country will convince anyone that what is going on now is not based upon any sound economic principle; that it is merely a repetition of what has taken place in the country many times before, an artificial stock speculation, the fleecing of the lamb, and after that comes the deluge of deflation with ruined business concerns and individuals all over the country.

So much for 1925. In 1924, when those in control of the credit inaugurated a policy of underwriting the debts of Europe, and financing the Governments of Europe, through the inflation of credit through Federal reserve banks, when the Federal Reserve Board made a rule by which they could deal in European trade acceptances—and, by the way, that was where about \$800,000,000 of our banking funds were tied up last summer when we had the crisis which forced the so-called moratorium—at that time I said:

Our international bankers are involving us more and more deeply in the chaos of Europe. Under a recent ruling by the Federal Reserve Board our Federal reserve banks will accept European trade acceptances for discount. This means the credit reservoir which is the property of the people of the United States is going to be tapped and a constant stream of banking credit is going to be poured out over Europe for the purpose of bolstering up the tottering financial houses of Europe. They are going to give European bankers credit and money that they denied to the American business and American farmers in 1920, 1921, and 1922.

The Dawes plan is a gold brick loaded with dynamite. It provides for a loan of \$200,000,000 to Germany so Germany can pay France, who owes us \$4,000,000,000 which she refuses to pay. It is said that this money is to be loaned to the various countries of Europe in order to establish peace in Europe, in order that we shall have an end of war in Europe.

Remember this was in 1924:

If this extension of credit is for peaceful purposes, why is it not provided in the contract that Europe shall disarm before she gets this money? Why is it not stipulated in the contract that the countries of Europe shall not spend money for armament and war? The President is quoted as saying that he intends to urge the American people to buy these securities in order that we may establish world peace. Some one is deceiving the people.

It is said the reason for this new financial policy is the desire of the bankers to stimulate exports financed by American credits. We have had some painful experiences along these lines, but we seem to have forgotten the terrible price we paid for financing European purchases in America.

The Federal reserve system was set up to finance this Nation. By the action of the Federal Reserve Board it is now to be extended throughout the world. The property of the American people is to be used to finance merchants, bankers, and others in all the bankrupt nations of the world.

The banking credit of the British Empire, which has been the main source of supply for credit with which to bolster the tottering financial structure of Europe, is evidently exhausted, and the American resources are to be thrown into the breach in an attempt to stave off the impending financial crash there.

I see great danger in this move. It means that we shall have to carry additional burdens in Europe, and it may mean that we shall ultimately have to pay its debts. We are to pay for the imperialistic plans of unscrupulous politicians who have made the Versailles treaty an instrument of war.

REACTION PREDICTED

American bankers are gambling with trust funds belonging to others. They did it before and lost, and the American people are now paying the price. The deflation of 1920 was directly related to that said experiment.

The first result of this new scheme will be artificial stimulation of exporters and business. It may start an artificial business boom that will carry us until the election. It is also evident that the holding out of unlimited American credits to European nations is to be a club to force the acceptance by Europe of the Dawes plan and to compel the American producer to carry more of the European debt than he is already carrying.

When the first effect of this unwise policy wears off there will be a reaction that will strike a serious blow at our financial stability and our industrial prosperity. It may even be that we will become inextricably mixed up in the tangled web of European politics and finances.

So much for 1924. I warned against undue inflation at that time. I warn against undue inflation now. I want Senators to bear in mind, however, that overinflation of the credit system will wreak as much damage to the industries and to the finances of the country as an undue inflation of currency. A proper inflation of an automobile tire will make it function and last and carry one's car. A normal supply of credit, a normal supply of currency will have the same effect on the commerce and business and trade of the country. It is dangerous to overinflate both the credit system and the currency system, but those who are at all times ready and willing to overinflate the credit system hold up their hands in horror at the suggestion of a normal increase or expansion of the currency system.

On the one hand, the bankers control the inflation and deflation of the market. They hold the strings with which they can choke off the very life breath of the business of the country. They have the power to inflate and deflate, to make prices high or prices low. They have tried to inflate the credit system and credit currency for the last year and a half and failed to do it because the credit system is paralyzed due to overinflation and the resulting descending price level.

Now, to show that this will not be an undue inflation of the currency, let me point out from the report of the Secretary of the Treasury of the United States what it will mean so far as the currency is concerned. In 1920 there was a per capita circulation of currency or money in this country of \$53.21.

If anyone wants to check up this statement, I will refer him to page 550 of the Treasury's report of the United States. It will be found in that report dated June 30, 1931. The per capita circulation in 1920 was \$53.21. In June, 1930, the per capita circulation was \$36.71. That means a contraction in the circulating medium of \$16.50 per capita per 124,000,000 people. The addition of the proposed \$2,000,000,000 in currency would barely restore the per capita contraction that has taken place since 1920.

On page 458 of the same report of the Secretary of the Treasury we find that the Federal reserve notes outstanding on June 30, 1920, were \$3,405,877,000. On June 30, 1930, there were outstanding \$1,746,501,000 of notes. During the 10 years there have been retired \$1,659,376,000 of Federal reserve notes. In the meantime the population had increased from 1920 to 1930 by 17,000,000, showing that the proposed additional currency of \$2,000,000,000 would barely meet the per capita contraction in Federal reserve notes during that time.

On page 548 of the same report it will be found that on June 30, 1920, there was a gold coverage of \$35.12 for

all money outstanding. On June 30, 1930, there was a gold coverage for all money of \$54.59. In 10 years the gold coverage had increased \$19.47 of gold in excess of what it was 10 years ago, an increase of 35 per cent, or equivalent to an increase of over 50 per cent of what it was in 1920.

The stock of gold in 1920 was \$2,865,482,000. In 1931 it was \$4,955,921,000. In 10 years the gold supply of coin and bullion holdings increased \$2,090,439,000. The proposed currency issue would merely balance the increase in the reserve of gold, the purpose of which is to supply the increasing currency needs of the American people.

On page 510 of the same report it will be found that in 1920, on June 30, the public debt was \$24,061,095,362. On June 30, 1930, the interest-bearing debts were \$15,921,892,350. During the 10 years we have retired \$9,139,203,012. The increased gold reserve was \$2,000,000,000, and the decrease in interest-bearing debts was \$9,000,000,000 in that period of time. The per capita debt in 1920 on June 30 was \$228.32. On June 30, 1930, 10 years later, the per capita debt was \$131.38, a 10-year reduction of \$96.94 per head for 124,000,000 people. This alone should justify an increased currency per capita of at least one-fifth of the \$96 debt per capita reduction.

In June, 1920, the per capita circulation for the United States was \$57.35, so from June 30, 1920, to June 30, 1930, there was a decrease in per capita circulation of \$20 for 124,000,000 people. That amounts to more than what would be the average increase in per capita circulation under this bill. There would still be as large a coverage of gold as there was for all money in 1920.

The venerable Senator from Nebraska [Mr. NORRIS], whom we all love and respect, said he wants to give the veterans jobs and wants to give other people jobs. I would like to know where they are going to get the jobs. The policies that have been pursued by those in the leadership of industry and of finance and of government have been such that they have destroyed all possibility of increasing employment. Unemployment is increasing, the price level is going down, and every activity of the Government within the United States is gradually declining.

There were those who had hoped that when a bankers' corporation of \$100,000,000 was organized it would support or stimulate the price of bonds. I ask them to observe that for the amount of bonds purchased the deposits in the banks of the United States declined, showing that bonds were being bought at the expense of the deposits in the banks. If anyone can restore prosperity in that way, I wish him good luck. He will need it.

It has been mentioned here that we voted out of the Treasury great sums of money for various enterprises. I do not question the good faith of those who voted for those measures. I voted against practically all of them. I voted against the cancellation of the debts to the foreign governments, which are costing this Government \$500,000,000 a year in sinking fund and interest, and I voted against the moratorium and other measures because I thought those measures were unnecessary, economically unsound, and placed undue burdens upon the taxpayers of the United States. I could see no reason why the taxpayers of the United States should carry the burdens of the world. We have enough burdens of our own to carry.

I do not claim, nor do I believe, that the passage of this measure, if it should be signed by the President, will be a permanent cure of our economic troubles. If we pass this measure and pursue the policies that have brought about the depression, the remedy will be only temporary. It will give us a breathing spell to take stock of the causes of the depression and find the causes that brought it about and change the policies that brought it about.

I firmly believe that the bonus bill that was passed a year ago saved the situation to a large extent and that conditions now would have been far worse if we had not passed it, because the \$1,000,000,000 that were borrowed on those certificates certainly must have paid at least \$5,000,000,000 indebtedness.

The time must certainly now have come when it must be realized that prosperity can not be restored by reinflating the credit system. It can not now be done in that way, because confidence in the banking system has vanished, and credit is based entirely upon confidence. I believe that this is not an undue inflationary measure. There will be ample gold coverage, as is shown by the report of the Treasury; and it will do more to stimulate activity in business, not permanently but certainly far more effectively than can be accomplished by the vain endeavor to pump credit into a commercial system that can not now use the credit.

Mr. President, I want again to assure the Senate and those who sit in the gallery that I am not voting for this bill out of friendship or sympathy for the veterans. Sympathy will not do them any good; and in the Senate of the United States when I come to make a decision I can afford to have no friends—I can not afford to let friendship bias my judgment or my decision. I make this decision in cold blood, on an economic basis, on a foundation of belief that it is economically sound and will not be unduly inflationary, rather that it will be economically of benefit to the entire country; and if the veterans receive incidentally some benefit, that shall make me happy. I want to assure the Senate and the veterans that I am not voting for this measure because of the popularity of the measure with the veterans. Certainly no soldier is ever popular after the war is over.

For it's Tommy this an' Tommy that, an' "Chuck 'im out, the brute!"

But it's "Savior of 'is country" when the guns begin to shoot.

Then it's Tommy this an' Tommy that, an' Tommy, fall behind.

But it's "Please to walk in front, sir," when there's trouble in the line.

Then it's Tommy this an' Tommy that, an' Tommy, "Ow's yer soul?"

But it's "Thin red line of 'eroes" when the drum begins to roll.

It's Tommy this an' Tommy that, an' anything you please.

An' Tommy ain't a bloomin' fool—you bet that Tommy sees!

Mr. LA FOLLETTE. Mr. President, I desire to make plain my position lest the vote which I am about to cast on this measure may be misinterpreted. As I view it, there are theoretically two courses open to be pursued in a major economic depression. One is to follow what may be termed deflation—of permitting the depression to run its course, which naturally is espoused during an economic readjustment of this kind by the creditor group since they stand to gain during all the course of such deflation, save only in the contingency that the economic structure itself shall be disrupted and destroyed.

The other course which may be followed, Mr. President, is one in which action by the Government as well as by those who are in positions of economic power is taken to check, to stem the tide of depression and deflation, and to turn the economic trend when the catharsis of the readjustment shall have taken place.

The reason, Mr. President, that I feel it incumbent upon me to make my position clear is because, in my judgment, the issue in regard to this measure has been confused; and while I acknowledge full well that many of the votes cast in the negative upon this roll call will be votes cast by those who sincerely espouse the course of deflation, I do not wish the fact that I may be forced to vote as those deflationists vote to be understood as indicating that I agree with their economic philosophy, either in times of depression or in times of prosperity.

Mr. President, when this depression began I tried as a Member of this body to point out that it was a major economic readjustment, cataclysmic in its potentialities, and that it would be greater in its effect than ever before experienced in this or any other country in the history of the civilized world.

During the course of this depression the Government—and I use that term because I wish not at this time to inject political considerations into this discussion—espoused the theory of deflation, of letting the depression run its course. I think I am justified in using the term "Government" because while the administration outlined and defined its policy it received the support on the side of the aisle occupied by the party that is normally and theoretically intended to function as an opposition under our 2-party system of government.

Like the Senator from Minnesota [Mr. SHIPSTEAD], I tried during the period of inflation to point out its dangers and sought to persuade this body to take action in an effort to check it. At a time when brokers' loans, taken from the Federal reserve system contrary to the spirit if not the letter of the Federal reserve law, had reached the staggering total in January, 1928, of more than \$5,000,000,000, I introduced a resolution in this body, and finally secured a report on it from the conservative Banking and Currency Committee of the Senate, calling on the Federal Reserve Board to exercise its power under the law by manipulation of the rediscount rates to shrink down that enormous concentration of credit being used for speculative, not for productive, purposes; thus hoping to avert the catastrophe which inevitably would follow failure to act in the crisis. The resolution was blocked, Mr. President, on the floor of the Senate by Members of both parties, and I was never able to bring it to a conclusion.

The concentration of credit for speculative purposes went on, and finally, after a general recession in business, there came the stock-market crash in 1929. The first act on the part of anyone in a position of responsibility in this Government was a statement by the President of the United States that conditions were fundamentally sound. It failed to check in its inception the deflationary process. Then Congress met in December and, after a hurried bipartisan conference at the White House, there was presented to the Senate a resolution characterized as a remedy for the situation prevailing. I wonder if Senators remember what it was. It was a joint resolution proposing to take \$160,000,000 out of the Treasury of the United States and to refund it to the big income-tax payers and to the big corporations. When we challenged that proposal on the floor of the Senate we were answered by spokesmen on both sides of the aisle who were supporting it, with the statement that this was a psychological depression and that the refunding of this \$160,000,000 would change the psychology and that soon the depression would be over.

For many long, weary months, which finally ran into years, Mr. President, those in positions of power and responsibility in the Government proceeded on the theory that the depression was due to psychological causes. They at first ignored it; they adopted the tactics of the ostrich; they stuck their heads in the sands; and, because they could not see what every other person could see who took the time or the pains to study the economic data available, they thought the depression was not going to last. Having failed, Mr. President, they minimized or attempted to minimize the seriousness of the depression.

The President of the United States on the 8th of March, 1930, issued his justly famous statement in which he said that after the most thorough investigation, with all the departments at his command, he had come to the conclusion that unemployment would be so drastically reduced within 60 days that it would not longer be a serious problem; and when waited on a few months later by a delegation composed of bankers and others who came to urge upon him a consideration of this problem and its menace, he informed them that they had come six weeks too late; that the situation was already well in hand. Convinced in this situation that the responsibility for leadership rested with Congress, I began in the third session of the Seventy-first Congress my efforts to direct the attention of this body to the serious problem of unemployment and its relief, which was one of the major problems of the depression.

On the 9th of January, 1931, I had this to say:

Mr. President, the Congress, like Nero, is fiddling while Rome burns. The leadership in Congress, if any exists, should devote itself to the development of a program which will adequately meet this situation. First of all, obviously, we should see that food and clothing are provided for the drought sufferers. To throw the entire burden upon the Red Cross and to permit conditions to develop such as have been pictured here by the Senators from Arkansas is criminal negligence on the part of Congress.

Second, I think that the evidence which I have submitted to the Senate to-day and upon two previous occasions when I have spoken shows overwhelmingly that prompt action should be taken upon some measure to give direct relief to the unemployed and their dependents. The bill introduced by the junior Senator from Massachusetts [Mr. WALSH] which provides for a 50-50 appropriation by the Federal Government to relieve the cities of the excess burden which they have had to meet in providing relief for the unemployed should be enacted, or we should pass a measure which would enable the Red Cross to meet the situation.

Third, Mr. President, our public-works program for the next fiscal year should be expanded. Let us not be caught again next winter in the situation in which we now find ourselves. Let us provide for a sufficiently large public-building program so that during the next winter appropriations for public works and the plans and specifications and contracts will be ready so that the Federal Government may step in to relieve adequately the situation.

Fourth, Mr. President, some attempt should be made on the part of Congress to afford the means for the mobilization of the intelligence of industry and finance in order that it may be brought to bear upon the problem of solving the question of distribution, as it has been brought to bear during the last 10 years upon the problem of increasing the productivity of our present industrial organization. Unless we do that, Mr. President, economic conditions may be infinitely worse 12 months from now than to-day. We can not solve this problem through mergers. The recently announced plan for consolidation of the eastern railroads, as has been shown by the president of the Baltimore & Ohio Railroad Co., will create economies largely at the expense of the employees. Consolidations or mergers of the kind proposed will add to the number of unemployed rather than reduce it. To follow such leadership will bring about a permanent unemployment problem which will be, if permitted to run its course, greater than that which has afflicted Great Britain during the years since the World War.

The administration having failed to meet this crisis, Congress should devote its energies during the coming weeks to the enactment of a relief program and to the passage of constructive measures for the prevention of unemployment in the future. The time has come for the Congress to assert its leadership.

Mr. President, despite all efforts that were made, it was impossible to secure action upon legislation at that session of Congress. When the present session met I introduced a bill to provide for a five and one-half billion dollar public-works program. I introduced a bill to provide for the creation of a national economic council; and, as is well known to Senators in this Chamber, I joined with the Senator from Colorado [Mr. COSTIGAN] in making the fight last January for adequate unemployment-relief legislation. I am not frightened by the cry of inflation raised against this bill. It is the type of inflation provided I am not ready to accept. I have been trying for months to enact the five and one-half billion prosperity bond bill for public works, which would bring a controlled inflation.

Mr. President, why are these men here pressing for the enactment of this legislation? Largely due to the economic distress that prevails in every section of this country to-day. If there were employment for the men who are here, and for their comrades at home, who are demanding the passage of this legislation, there would not be any such demand for its passage. Therefore, by and large, the demand for the passage of this bill comes because there is widespread distress in the United States; and while from the beginning of this depression I have fought as valiantly as I knew how to bring the attention of Congress to the major character of this depression, and to urge upon its consideration the enactment of a program gigantic enough in size to check the downward trend of this spiral; while I have fought consistently for the proposition that the problem of unemployment relief in this country was a joint responsibility of the Federal Government as well as the counties, cities, and States, I can not bring myself to vote to extend relief solely to a group, who, no matter how deserving, are but the counterpart of millions of others in the United States who are likewise in distress through no fault of their own, and who are just as hungry, just as destitute, as are the men

who are present in the galleries and in the city of Washington at this hour.

I think any person who has given serious consideration to the problem of unemployment relief will admit that the payment of relief in lump sums is not a sound or economical distribution of that type of relief. These men have had experience with that type of allotment, because many of them have already taken advantage of the privilege extended at the last session of Congress to secure a 50 per cent loan upon the certificates; and despite the fact that many, if not most, of those who are present here have borrowed 50 per cent of the value of these certificates, they are to-day, only a year after we enacted that legislation, in as destitute circumstances as are millions of other citizens who did not have the credit resources with which to obtain a loan.

Furthermore, Mr. President, there are 827,000 of these certificates outstanding to-day upon which not a dollar has been borrowed. I think it is safe to assume that the great majority of those 827,000 who have not borrowed upon their certificates are not in need of funds at this time; and I, for one, can not vote to make a lump-sum payment to 827,000 persons in this country who I think it is fair to assume do not need this relief when there are millions of citizens in the United States who are in the direst necessity.

Mr. President, I hate to say it, but as the result of the study which I have made of this depression I am convinced that it is one which will be of long duration. The problem that confronts us at this hour will grow increasingly worse by geometric progression. Staggering as was the problem of unemployment relief during the past winter and as it is at this very hour, it will be a much more staggering burden next winter, and, I fear, in the winter to follow it.

While I have not joined in what seemed to me an exaggerated overemphasis of the necessity for balancing the Budget and for maintaining the credit integrity of the Government, because I never thought it was in danger, I do say that in a long period of depression there is an X amount of credit which the Government can obtain and make available for the protection of itself and its citizens. I do not know how much that amount is, and neither does any other living man in or out of this Chamber; but, convinced as I am that this depression will go on, and that most enormous demands will be made upon this Government not only for direct relief but for public works to provide employment, and conversant as I am with the problem of unemployment relief, I can not vote to mortgage \$2,400,000,000 of that X amount which may be raised during the next 5 or 10 years to meet the exigencies of the situation.

Therefore, Mr. President, like the Senator from Nebraska [Mr. NORRIS], I feel that I am here confronted with a choice between relief to unemployed in the United States and their dependents, regardless of whether they served in the war or not, and the enactment of a gigantic public-works program on the one hand, and on the other hand the passage of this bill to give relief to the ex-service men.

Mr. President, I believe that the Senators who oppose this bill, if there be any, because they have discounted the significance of the social manifestation of the presence of this Bonus Expeditionary Force in Washington, are doing themselves and the country a disservice. In my judgment, this Bonus Expeditionary Force is merely a dramatic and a significant indication of the widespread distress under which citizens all over the United States are to-day suffering. I have talked to many of these men. They are a cross section of the backbone of the citizenship of this Republic. They are men who have normally been employed, who under normal conditions owned their own homes, or at least had title to them, and were buying them on the installment plan. Most of them have families—at least, those that I have seen. They are respected citizens of the communities from which they come. They have joined in this personal appeal only because all of their other resources have been exhausted, and they have turned to Washington to appeal for the passage of this legislation because they are in the direst necessity and it is their last hope.

I want to pay tribute to these men and the manner in which they have conducted themselves while in Washington, and I want also to say that I believe that they were but exercising the right of petition which is guaranteed in the Constitution of the United States.

As I stated the other evening in private conversation with an individual who made a slurring remark about these men, I have been interviewed by many of them, and I think they compare most favorably in their conduct and spirit with many of the individuals who interviewed me when the tax bill was under consideration and who desired to be relieved of the additional taxes to be imposed.

Mr. President, I shall continue to fight for Federal unemployment relief legislation, and for the enactment of a public-works program of gigantic proportions to care for all the unemployed, including the ex-service men. It is a matter of infinite regret to me that I am forced, for the reasons which I have stated, to deny at this time and in its present form the appeal for relief which has been made by the ex-service men who have come to Washington to ask for the passage of this legislation.

Mr. COSTIGAN. Mr. President, following the moving address of the great Senator from Nebraska [Mr. NORRIS] and the persuasive remarks of the able Senator from Wisconsin [Mr. LA FOLLETTE], with both of whom I am in substantial accord, it would appear to be idle further to address the Senate on this subject. Nevertheless, as the representative of a sovereign State, with definite national responsibilities, some explanation will be given of the reasons for my vote.

From the most painstaking and patient examination possible, and without commitments with respect to any future consideration of the same subject, I have reluctantly concluded that public duty compels me to vote against the bonus proposal at this time and in the form in which it is now presented.

Chief among the reasons for the decision are these:

First. From the outset of the present session of Congress disinterested men and women have recognized—and I have accepted as my foremost public responsibility at this session of Congress—the overwhelming necessity for relief legislation not narrowed to any selected group or groups but general in its nature and fairly distributed according to population and individual need. It is becoming clearer that we have now, and all too long have had, not merely 3,000,000 veterans but approximately 12,000,000, including veterans unemployed, and more or less in want. Surely in such an unparalleled peace crisis the Nation ought not to play favorites. Any national relief program—and Congress, as just urged by the Senator from Wisconsin, owes a duty to the country to adopt a real one before it adjourns—should be concerned with the country's entire problem.

Second. The present bill for veterans' relief, if adopted, will be used to arouse frantic, overburdened taxpayers to smother the hopes of the larger number of deserving other millions for whom in time of peril the Nation's full safeguarding powers should be equally and wisely mobilized.

Third. Those who control our national banking and credit structure predict and in instances threaten and, unfortunately, hold the strategic position to precipitate even worse financial disasters than those of the past three years if the legislation now pressed is adopted. Faced by the likelihood of such a catastrophe, should we not build back toward fugitive prosperity by means of carefully expanded credit through general relief and national public-works construction programs rather than subject the country to the danger of further credit shocks, whether deliberately or otherwise precipitated? The men now crowding this city and Chamber, beyond their immediate needs, want and should have work above all else; and the force of the argument for a sound public-works program is increased when it is remembered how the earlier bonus payment passed without the business stimulation promised by its advocates.

Difficult as our decision may be, it is profoundly hoped that to-day's legislative crisis may prove a vital turning point in a new forward movement aided by our country's best experts to build America without delay on sounder national and international foundations. After extending

inevitable temporary relief Congress should at once advance through necessary public works and well-planned farm and other industrial organization and development under government toward reborn and better-rooted prosperity. Let us hope that this test of self-governing ability to which America is now inescapably summoned will be shouldered with nobler selflessness and deeper humanity-loving wisdom than our leadership has yet exhibited.

Mr. GEORGE. Mr. President, I desire to make only a brief statement. I have reached the conclusion that at the present time I should vote against the pending bill to pay to the veterans of the World War their adjusted-service certificates in its present form.

I desire to say that in reaching this conclusion I have not been frightened at all by the suggestion of an inflation either of currency or credit. Indeed, I would welcome a properly controlled expansion of the currency, and especially of the credit. I have reached the conclusion because I have come to the fixed opinion that before this session of Congress is adjourned a building program or construction program large enough to give employment to a large percentage of the unemployed people in the United States should be undertaken.

I have not hastily reached the conclusion to vote against the bill at this time in its present form, because I have supported uniformly, over a period of nearly 10 years, legislation for the veterans. I believe it would be a fatal policy to adopt at this time a program of partial relief for the unemployed of the United States, and because I have arrived at the conclusion that a large program should be undertaken, and before adjournment, and because I believe that piecemeal efforts to relieve the general unemployment in the United States, including unemployment of veterans and non-veterans alike, would retard rather than promote a general program of relief and employment, I have concluded that I should vote against the pending bill in its present form and at this time.

Mr. SHEPPARD. Mr. President, on the question of the effect of this measure on the credit situation, I desire to present to the Senate a statement contained in a letter to me from Walter F. McCaleb, president of the American Home Builders, of Cleveland, Ohio, an acknowledged financial authority. That statement is as follows:

This veterans' bonus bill will help vastly in turning into the channels of trade some liquid credits, and to some extent start the currents flowing again. We must have additional credits. The dollar must be reset, otherwise it will not be economic chaos but utter economic collapse.

I desire to call the attention of the Senate to another statement included in a letter to me from Mr. Robert M. Harriss, of New York City, a prominent student of financial affairs, which is as follows:

In my opinion and the opinion of many banker and economist friends that I value, payment of the balance of the adjusted-compensation certificates would not only be a godsend to the needy veterans, but, more important, through currency expansion, it would quickly stop this devastating deflation and prove of immeasurable benefit to our entire country.

Mr. President, I desire briefly to contrast the treatment accorded the railroads with the treatment so far accorded the veterans.

When it became necessary to draft the railroads for the more effective performance of our part in the World War, they were guaranteed a compensation equal to their average annual operating income for the preceding three fiscal years. Where they had been earning no income, or where for any reason that basis was shown to be impracticable or unfair, adjusted compensation was assured them.

In addition the agreements under which the railroads were shifted to Government control provided for maintenance, repairs, renewals, depreciation, and for such adjustments of operating income and Government contribution as would secure the return of the railroads at the end of the war to their owners in substantially as good repair and with substantially as complete equipment as was the case at the beginning of such control.

Under Government control the wages of railway workers were substantially increased. Manufacturing concerns which

had been called upon to supply war materials were voted hundreds of millions of dollars by way of adjusted compensation to preserve them against losses incurred by virtue of war operations.

How different the situation with the human beings who were called upon to suffer and to die for the flag. They were drafted at \$1 a day plus Army rations of clothing and food, when those who stayed at home were receiving for ordinary labor from three to five times the equivalent of that pay and allowance. Furthermore, our soldiers sustained heavy personal losses in many instances, endured separation from loved ones as well as the disruption of business or of education, perished by tens of thousands in a foreign land, were wounded and disease stricken by tens of thousands, were condemned to disablement and loss by hundreds of thousands, faced loss of employment, privation, and want on their return to civil life by millions, and those who survive and still waiting, after a lapse of 14 years, for the performance in full of the moral obligation resting on this Government to accord them a readjustment and correction of the economic and financial inequalities under which they were summoned to the service of their country.

Mr. President, these are some of the reasons which move me to support the present bill.

Mr. HATFIELD. Mr. President, the most important question, and the one asked most frequently and never satisfactorily answered as yet in the discussions on this legislation to pay the full-face value of the adjusted-service certificates at present is, Where shall the Treasury of the United States obtain the money with which to make this payment?

Regarding the discussion that the issue of Treasury notes in 1890 had no basic metal behind it or in which they could be redeemed, I wish to say that I am informed by the office of the Treasurer of the United States that this issue of notes in 1890 was for the purchase of silver bullion under the act of July 14, 1890.

The act also provided for the coinage of the silver purchased into standard silver dollars.

Up to 1893, when the act was repealed, \$156,000,000 in notes were issued, and this issue was always backed up by the silver bullion purchased or by the silver dollars coined from it, which were held in the Treasury as a reserve to redeem the notes at any time. Only a small amount remained in circulation, \$1,263,150 on April 30, 1930.

Money is not made, and Congress can not create a gold dollar any more than it can create a new constellation in the heavens. Gold must be discovered as other basic metals are by the geologist, and taken from the crevices of the rocks or washed from the gravel in the valleys. It is not made and can not be created any more than can coal or iron or any of the basic metals.

The reason for the adoption of the basic metal gold for our monetary standard is due to its value and because of its value in exchange for commerce and trade, it does not have to be redeemed. Gold is the redeemer; it never depreciates, and it can not be depreciated for the reason that its value is based upon its cost of production, and its utility.

It has been and is now claimed that money is the creature of law. The method advocated by some in Congress to pay the soldiers' bonus is an example. Should the bonus bill that is now before us pass and become an actuality, we would by law create an obligation. This obligation would be a certificate in the way of a piece of paper, backed by no security other than the promise to pay. Like any other note, there would be no value behind it. This is the only kind of money that possibly could be the creature of law. It would be fiat money, not based upon our basic standard of money, which is gold coin.

It is just as impossible to make money by law as it is to make wheat or corn or potatoes by law. Were it possible for Congress to make money by law, why would it be necessary to collect tax. I am sure if it were possible for Congress to make money, each and every Congressman would be ambitious to make each and every voter, who sent him to Congress, a multimillionaire, and this he would do were it possible for Congress to make money by legislation.

Greenbacks and all other paper money are certificates of indebtedness. They are mediums of exchange or circulation, made so by law to facilitate trade and commerce. These paper certificates are negotiable, by the individual possessing them, for the payment of debts. They evidence the fact that they are redeemable by the Government of the United States in gold and silver. In other words, they have something behind them in the way of a redeemer in basic metals whose intrinsic worth and value can not be destroyed. Especially is this true of gold coin, where each and every dollar represents 23.22 grains of pure gold.

The Government does not make money. The Government is a taxgatherer. Every citizen under the flag pays tribute to it in the numerous ramifying methods of taxation, directly and indirectly in payment of tariff and in income taxes.

Congress has fixed our monetary standard on a basis that does not fluctuate, and as long as it remains so there can not possibly be a depreciated or fiat dollar under the American flag.

We even hear the statement made that we can make money out of some other kind of material. Assuredly this can be done, but one must put a dollar's worth of material in the proposed dollar, whether it be silver, paper, iron or copper, or what not. We can not make a negotiable dollar without having the value in it or without having the certificate that represents the dollar guarantee that the value is somewhere deposited for its redemption.

The only and best security that such redemptions exist when promise-to-pay money is circulated is the Treasurer of the United States, who holds these securities. If the Treasurer of the United States is authorized to issue certificates to pay the soldiers' bonus, and if they are put into circulation without a medium for redemption, it would unquestionably mean inflation, and inflation will result in cheap money. It will mean depreciated money, and money which the Congress of the United States should not want to pay to those who fought bravely for their country. It is not the sound way to redeem the bonus certificates that were issued as an additional payment, on which the Government has loaned 50 per cent of the value, and which the Government promised to redeem 20 years from date of issue in sound money.

We may ask, What is the value of the silver dollar? How can it be redeemed? A silver dollar contains 371.25 grains of silver. Silver to-day is selling on the market for 27 cents an ounce. The intrinsic value of the silver in a silver dollar to-day is 21 cents.

The reason why the value of the silver dollar is maintained over the market price of the same amount of silver is due to the guaranty of the Government to redeem the silver dollar on a parity with the gold dollar. There are stored in the vaults of the Treasury 494,000,000 silver dollars to redeem on demand the silver certificates in circulation. There are 34,000,000 silver dollars in circulation.

Mr. COSTIGAN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Colorado?

Mr. HATFIELD. I yield.

Mr. COSTIGAN. Robert Ingersoll once said that a good paper dollar is one which is able to declare "I know that my redeemer liveth."

Mr. HATFIELD. I thank the Senator from Colorado for his contribution.

This same question may be asked relative to the different series of greenbacks. Greenbacks were first issued in 1862. Congress provided for their redemption in 1879. They are redeemable in gold or silver at any time they are presented to the Treasurer of the United States. The highest amount outstanding at any time was \$449,338,902 on January 30, 1864. This amount was gradually reduced until the act of May 31, 1878, which required the notes to be reissued when redeemed. Since that time the amount outstanding has remained \$346,681,016. They are now known as United States notes and are protected by a gold reserve of approximately

\$156,000,000 held in the Treasury. The reserve notes that are issued by the Federal reserve system have behind them 40 per cent in gold. The remainder is represented in gilt-edge securities which facilitates their circulation in commerce and trade as well as assures their redemption.

Gold is our standard and the intrinsic value and worth is based on its cost of production. Its value is not increased by coining. The gold dollar can be defaced and yet it will have the same value that it had before defacement.

It is oftentimes argued that our money is being made valuable by being used as legal tender. Gold is not given value by being made legal tender, but it was due to its value that it became legal tender. It is coined with its value stamped thereon as a matter of accommodation so it will not be necessary for it to be tested by a chemist or weighed in the scales.

The issue of certificates of indebtedness under the Patman bill or the Thomas bill may produce in this country a medium of circulation that at the present hour has no method of redemption. Only one thing could result and that would be cheap money which would find its way at 10 and 15 cents more or less on the dollar, in many instances, to those who are in a position to store it away until the time of its redemption, when taxpayers would assume the burden or until this Government would follow in the wake of those governments who have tried the issue of fiat money.

To issue bonds by the Federal Government and place them with the Federal reserve system would mean nothing in the way of additional money. The only way to redeem the certificates that are authorized to be issued by these bills would be to sell the bonds in the market primarily, and take the proceeds to redeem the certificates, thereby adding whatever is necessary in the way of a bond issue to our national debt.

If we pass these measures, we provide that the issue be a legal tender. They shall be received in full payment of debts, both private and public; yet there is no gold or silver bullion or other securities to assure the redemption of the certificates as is the case with the issue of other paper money. What must be the result? Unquestionably, cheap money, with the circulated medium depreciated to whatever trade or business cares to make it before they will accept it as a medium of exchange.

This was the case after the Civil War when the greenbacks were issued and in 1876 to 1878 were selling for 34 cents on the dollar. Should these certificates depreciate in value 25 or 50 per cent of their face value, yet in keeping with these statutes, practically everyone could pay his obligations by means of this cheap money. In case he owed \$5,000 to his banker, he could pay it with \$2,500. If Congress adopted a law on the theory that a bushel of wheat should weigh 30 pounds instead of 60 pounds, and a neighbor would borrow from his farmer friend 2,000 bushels of wheat, the borrower of this wheat could, under the law, pay his friend in full discharge of his obligation to him, 1,000 bushels of wheat, by taking advantage of this new method of determining values. The same principle, Mr. President, would apply should the notes authorized under the bill now before the Senate be issued, due to the fact that there would be no basic metal behind them. So there is no reason why these certificates should not meet with the same fate that the greenbacks met with after the close of the war between the States.

I am convinced that Congress would not want to pay the veteran in fiat money which is not backed by gold or silver and thus can not be redeemed.

In my opinion, there are only two ways in which the soldiers' bonus could be paid. The first is by a bond issue. The bonds so issued would necessarily have to be sold in the market; the money thus obtained would have to be used to redeem the service certificates and the taxpayer in the future would be required to redeem the bonds at maturity, just as the bonds amounting to \$21,432,000,000 which evidenced the obligation of the Government of the United

States in the prosecution of the World War are gradually being redeemed.

I am informed that the Government has acknowledged that bonds for the purpose of redeeming these service certificates can not be sold at an advantage by the Federal Government at the present time, and even could they be sold, their redemption and interest payments would work an additional hardship to the American taxpayer who is already overburdened by the passage of the recent tax bill which will exact a toll of \$1,136,000,000.

The other method for the redemption of these certificates, Congress has already invoked by creating a sinking fund to take care of both the principal and interest over a period of years.

I had no hesitancy in voting in the Seventy-first Congress to authorize the Treasurer of the United States to loan 50 per cent of the value of these service certificates; I shall have no hesitancy in voting at some time during my term in Congress for the full payment of the service certificates, when the taxpayer can afford to assume this extra obligation; but I am unwilling to vote for a futile gesture, for, should the bill become a law, it would mean cheap money, and we would suffer the experience which we had following the war-time prosperity of our contest for independence, and again during the period of inflation following the Civil War, culminating with the "black Friday" of 1869. This is the least that could happen to the financial fabric of our Government. It would be harmful to everyone and would be more destructive than the ravages of a great war or of a pestilence.

Mr. President, I have voted whole-heartedly for every piece of constructive veterans' legislation that has come before this body for consideration since I have been a Member of it. I did so because I was convinced that such legislation was just and equitable. I served the veterans before I came here, both in the Army and in private life, and I have never hesitated to give in a professional way in case of illness when they had no money to pay for hospitalization. I stand here to-day their friend and shall continue to be their friend. I am in full accord with legislation which will protect them and their families in the hour of want or in afflictions due to disability contracted while in the service of their country.

I am for the payment of the service certificates as soon as it is fair to the taxpayer to ask him to assume the burden. They should have been paid when the obligation was recognized by Congress. I take it, however, that those who envisioned the legislation that resulted in the authorization of the soldiers' service certificates, or bonus, had in mind a reserve in the way of insurance for the veteran by the creation of a service certificate which would mature at a time when he would have reached the declining period of life, and which would, in case of his passing before that time, provide something for those dependent upon him. Such a conclusion impresses me as being full of wisdom, as protection is afforded such as the head of the average American family tries to provide for those to whom he is responsible in the way of insurance, should misfortune overtake him.

Comparatively speaking, the Congress has been most considerate of the American veteran. We are told that more has been done in the way of remedial legislation than has been done by all the other nations combined which took part in the World War.

Mr. President, a depression exists of such proportions as to affect us all. The conditions existing in the world to-day are the natural consequence of the awful ravages of the World War. Will it be helpful either to the soldier who served his country or to the workingman who stayed at home and kept the home fires burning, and who is now also out of employment, to place upon the taxpayer an additional burden by the adoption of this legislation?

If this measure shall be passed will we not seal the fate of the Government and force it off the gold standard and cause it to become one of the cheap-money nations?

These are momentous problems for our consideration; and when we once embark upon such a course, who knows the ending or the final audit of results?

Had Congress commandeered business during the war period, then the picture that presents itself to-day would possibly not be seen. There would be a different story to tell. Eighteen billion dollars of American money invested in foreign securities in all probability would not have been squandered. These billions of dollars in private loans to Europeans and the eleven billions in loans by our Government to the governments of Europe will serve as an experience long to be remembered. Let us hope that future generations may profit by our experience in philanthropy and service in a war beyond the seas, which has proved so costly to the American people.

Had industry been commandeered as was man power of our country at the beginning of the war the American soldier would not now be looking for the payment of his service certificate because of the economic situation which confronts him and his home.

The die has been cast, Mr. President; we can not pass retroactive legislation to cover the mistakes, if any were made, to cure present ills.

I am not willing to vote, Mr. President, to add to the burdens of our Government. I am not ready to cast a vote that will mean \$2,400,000,000 of tax burdens to the American people. I am not ready to vote for fiat money to pay the American soldier for the service he rendered in a foreign war on foreign soil. He deserves to be paid in sound and honest money when his service certificates shall be redeemed.

Mr. SHORTRIDGE. Mr. President, "Greater love hath no man than this, that a man lay down his life for his friends." If without irreverence I may paraphrase these sublime words that fell from the divine lips of the Son of God, I venture to say that greater love hath no man than this, that a man lay down his life for his country.

No poor words of mine can express the love, the gratitude, in the heart of America for her patriotic sons and daughters, soldiers, sailors, who offered or who gave their lives that their country might live. The War of the Revolution, the War of 1812, the unhappy War between the States—and I pause to say, with gratitude, that Mason and Dixon's line has been taken up and wrapped around the hearts of the American people, so that to-day east and west, north and south, we are, indeed, one people, with one love, with one purpose, all loyal brothers and sisters beneath the undefeated flag of the Republic—the war of 1898 with Spain, the late great World War, each and every of these wars called into the service of the country patriotic men and women, and America has endeavored to show its appreciation, its gratitude, its love, which is the greatest thing in the world, for those who offered or who gave their lives in the service of their country.

America to-day feels deeply for those who sleep and for those who wake who served their country in the late World War. No tribute can be too earnest, no words can be too eloquent to express America's appreciation for those who sleep, and no words, no eulogy, can express the appreciation, the gratitude, the love of America for those that survive, who gallantly served our country during the late Great War. We have endeavored to be just and generous toward those who survive and toward the widow and the orphan of those who sleep. We have spent millions, billions, indeed, toward hospitalization in aid of the sick, the wounded, the widow, the orphan, and we stand ready now to do all that is possible for those who need assistance.

Unhappily to me and to others, regretfully the Government is not in a position financially, economically, to make it possible for us to do all that we would gladly do. Millions were called into the public service; many went abroad; many stood ready willing to go if called. Since the war was ended—to repeat myself but to detain the Senate for only a moment longer—we have spent millions of dollars in the way I have briefly suggested. Among other things done in recognition of patriotic service rendered, we issued certain so-called com-

pensation certificates, delivered, accepted, payable at a certain future date.

The privilege of borrowing on these certificates was limited by the first law to 25 per cent of their then value. Later I gladly voted to increase that borrowing privilege to 50 per cent. I am advised that of the total number of certificates issued and delivered, approximately two-thirds of the holders have exercised the privilege of borrowing, and that approximately one-third of the holders of those certificates have not exercised that privilege.

These outstanding certificates are the legal obligations of our Government; and I am assuming—I know—that the boy of California, holder of one of these certificates, who went to the front, willing to die for his country, is just as patriotic to-day as he was then. I know that he appreciates the difficulties the Nation now has to meet its outstanding present obligations.

I realize those obligations; and, for reasons which have been elaborated here, some of which appear in the report of the Committee on Finance, I have regretfully come to the conclusion that I can not vote for this bill in its present form.

I do not rise for the purpose of seeking favor or of averting disfavor; I rise to say that under present conditions of our country—which we are striving to serve—under present conditions we can not with safety, without peril, immediately raise or pay the amount called for in this bill. That amount is near or approaching two and one-half billions of dollars.

We have a great country territorially, made up of many peoples. I love to believe that we are absolutely homogenous and all loyal. I have seen nothing in recent days, nor do I now see anything, that savors of disloyalty to the Nation—nothing whatever. Men have a right to petition; men have a right to appeal; men have a right to argue their cause; and they have a perfect right in person to present themselves in behalf of their cause.

I see nothing of a disloyal character in any manifestations in favor of the passage of this measure; but we are confronted with the necessity of carrying on the Government, meeting its obligations, caring for the sick, caring for the wounded, caring for the widow, the orphan, resultant of the wars that are gone. Nor am I a pessimist or an alarmist. I regret hearing words uttered in this Chamber suggestive that this Republic is in danger. This Republic is not in danger. There is not a man in Washington, or elsewhere, asking for relief who is not a loyal citizen. I have perfect faith and confidence in the stability and the future of this Republic. I repeat, Mr. President, I regretted listening to words suggestive that some great danger threatened us, or some great danger hung over us, and that this mighty Republic—this Republic of Washington and of Lincoln, this "Government of the people, by the people, and for the people"—I regretted that anyone should doubt its stability, or think that there is any danger of the dissolution or the overthrow of this Republic, made up of 48 patriotic States and standing unafraid beneath the undefeated Stars and Stripes.

We have been struggling, I repeat, with the difficult problem of meeting outstanding obligations and the cost of the Government, amounting at this time to some \$4,000,000,000 annually. The revenues of the Government, in round figures, are but \$2,000,000,000. To the end that we might balance the books, maintain the credit of the Republic, and carry out the obligations we have assumed, we have been looking toward the reduction of the cost of government upon the one hand and looking upon the other for sources of increased revenue, all to the end that we might balance the books, or—to use the phrase so often employed—balance the Budget. What that phrase means is simply that we will balance the books so that the income, the revenues of our Government, may discharge the fixed and continuing obligations of the Government; and we have struggled, and are struggling, to bring about that balancing of the books.

So, for the reasons which have been here amplified, some of which appear in the report of the Finance Committee, I reluctantly, and—need I repeat—regretfully have come to

the conclusion that I can not, and I venture to say with the utmost respect for those who may differ from me, we can not now take upon ourselves the great and immediate obligations which would come to us from the passage of this particular measure in its present form.

All measures that have come before this body which have had to do with soldier relief, hospitalization, increasing the privilege of borrowing on these certificates, I have cheerfully supported. I hesitate to say this, because it may seem in the nature of self-praise or self-glorification; but I wish to add that all relief measures calling for additional expenditures which the Government can with safety meet and discharge, I stand ready to support by voice and by vote.

Mr. WHEELER. Mr. President, I appreciate the fact that the hour is getting late. Everybody in this Chamber is anxious to have a vote. I shall not take very long in what I have to say.

I am not going to find fault with anybody in this Chamber who takes a view opposite to that which I entertain with reference to this matter. I must confess, however, that I never expected the time to come when I would hear somebody rise in the United States Senate and say that the Government of the United States could not make money, or that gold never depreciated.

Gold, if you please, like everything else, appreciates or depreciates in value with relation to other commodities. If commodities are cheap, gold appreciates in value. If commodities are dear, gold depreciates in value. The trouble with the Government of the United States to-day—and not only in the United States but in the world at large—is the fact that there is not enough gold in the world to transact the Government's business or the commerce of the world. For that reason gold is extremely dear; and the important thing that we have to do in the United States of America at this time is to depreciate the present value of the dollar with relation to commodity prices.

In other words, the most important thing that is before the American people is how to raise the level of commodity prices so that the farmers and the debtors of all kinds can pay off their indebtedness with the same kind of dollars that they borrowed when they incurred the indebtedness in 1926, 1927, 1928, or 1929.

Mr. President, ever since this session of Congress opened I have maintained consistently that it was the duty of the Congress, under the Constitution of the United States, to try to stabilize the dollar in the United States. If that is not the purpose and the duty of the Congress under the Constitution, then we might as well adjourn sine die.

We were told, and I repeat what I said a few days ago, that when we passed the Reconstruction Finance Corporation bill that immediately that would stop the deflation that was going on; that that would put money into circulation; that that would help the credit of the country; but it did not stop the deflation and did not help the credit of the country.

Then we were told, when we passed the Glass-Steagall bill, that that would immediately put more money into circulation, and that it would start the smoke coming out of the factories and would increase the prices of commodities.

I heard just to-day one of the distinguished Senators say, "If you cheapen your money, you are going to reduce wages." Of course, to some extent that is true; but what is the best thing to do? Is it better to let 10,000,000 people walk the streets of this country, or is it better to raise the commodity prices, and thereby put those 10,000,000 people back to work?

A short time ago I talked with the president of one of the largest industrial companies in the United States of America. He was likewise an executive director of one of the greatest banks in the United States. He said to me, "Unless you can raise the commodity price level of commodities in this country, instead of having 8,000,000 people out of employment, you will have 18,000,000 people out of employment by next winter."

Mr. President, we have not in the Congress of the United States done one solitary thing of any moment to put these men back to work.

I am not going to tell of my love for the veterans, because I want to say that I do not love these veterans one iota more than I love the rest of the working men of this country who are walking the streets to-night. They are not entitled, in my judgment, to very much more sympathy than the rest of the men who are walking the streets. I am not appealing to the prejudices of these people. I am not going to appeal to you on the ground that when you sent them off to war, bands were playing and flags were waving, and everybody was telling them what to do. I do not think that is the proper argument to make in this body at this time.

I have sat here and waited and waited and waited to see some kind of legislation proposed which would put men to work in this country, and nothing has been done.

When the great Republican Party met out in the city of Chicago, I said that at last, when that great body of prominent individuals met out there, they would certainly come forward with some plan, with some program, to put men to work, and to bring about the return of prosperity in this country. But we look in vain in their platform to find anything of a constructive nature. Let me read what they say about it. They recognize, for the first time, perhaps, what the real situation is in the country; and if I were going to criticize the President of the United States, I would do it on the ground that his course hitherto has been because there was a lack of foresight on his part, that he never visualized what the real situation in this country was in 1929, in 1930, in 1931, or in 1932. But when the Republican Party met out in Chicago, they did not say that at this time prosperity was just around the corner, they did not say that we would have a return of prosperity in 60 days' time, nor did they offer any solution for the economic chaos in which we find ourselves to-day. They did say, however:

The supremely important problem that challenges our citizens and Government alike is to break the back of the depression, to restore the economic life of the Nation, and to bring encouragement and relief to the thousands of American families that are sorely afflicted.

Mr. President, that is the first time the representatives of the President of the United States have really gone on record as recognizing the economic condition of this country.

Listen to their plan for recovery:

The people themselves, by their own courage, their own patient and resolute effort in the readjustment of their own affairs can and will work out the cure.

Mr. President, that is the statement of a defeatist, that is the statement of one who has no remedy, and who has no constructive ideas, but simply says that the people of this country must go on and on, that we must continue with this period of deflation, and that they have no program in mind, and no program which they dare to offer to the American people to help them out of this era of depression and chaos.

I say that is a sad commentary on the so-called statesmen who met out in the Chicago convention to offer to the people of the country nothing but a defeatist program, and to say to the people, "Go home, be patient, and suffer."

I agree with those who said upon the floor of the Senate that we ought to provide work rather than give money to these ex-soldiers. If I could see a ray of hope in this Congress that some means would be found to put more money into circulation other than by the method here proposed, I would not vote for the pending bill. If some proposal should be offered by those who have spoken, and I felt sure that we could pass such legislation and give employment to the men on the streets to-night, and to the veterans, I would not vote for this legislation. But nothing has been offered, and every program that has been suggested for the purpose of putting men to work, public construction, bond issues for that purpose, has been denounced by the identical crowd who are denouncing the pending bill, with few exceptions.

Mr. President, is there anybody here who thinks for one moment that we are going to be able to pass the bill appropriating \$2,000,000,000 for public works and have it signed by the President of the United States? If we do pass a \$2,000,000,000 appropriation bill for public works, how many

of this 8,000,000 or 10,000,000 people who are out of employment do Senators think would be afforded jobs?

Is there anybody in the Senate who is so simple-minded that he believes that the President of the United States would sign a \$5,000,000,000 appropriation bill to put men to work? Not at all. Of course he would not. He is going to say, "If you pass a \$2,000,000,000 appropriation bill for the purpose of erecting public buildings, you are going to drain the Treasury of the United States; you are going to place a further burden upon the taxpayers; you are going to drive the country off the gold standard." That is what he is going to say, and he is going to veto the bill. There is nobody on this side of the Chamber, or on the other side, in my humble judgment, but who knows and realizes that that is what the President would do and that that is what he would say.

I have sat here waiting month after month and week after week and day after day in vain for the great engineer at the other end of Pennsylvania Avenue to come forward with some proposal for taking care not only of these ex-soldiers, not only of these veterans, but of the other thousands and millions of men and women of this country who are anxious and willing and want to work, but nothing has been done, and nothing will be done.

Mr. President, I am amazed to hear my good friend the Senator from West Virginia [Mr. HATFIELD] say upon the floor of the Senate that if this bill passes and this money is issued in accordance with the proposals in this bill the soldiers' certificates will depreciate 50 per cent. I did not suppose there was anybody in this body who had the temerity to stand up and say that anything of that kind could occur if \$2,000,000,000 of currency should be issued.

I did not suppose that anybody would say that if \$2,000,000,000 more money were put into circulation, it would ruin the Government of the United States of America. According to some financiers, and according to some financial papers, if this bill passes, it will drive us off the gold standard. Suppose it did. Assuming, for the sake of the argument, that it would drive us off the gold standard. Just remember that 90 per cent of the countries of the world to-day are off the gold standard. Mr. Brisbane said the other day, with reference to England, that when England went off the gold standard gold began to pour into Great Britain and her commerce and her business and her industry began to pick up and have continued to pick up and are in much better shape than before she went off the gold standard.

The Senator from West Virginia said a few moments ago that the value of gold is based upon the cost of production, and he spoke of the intrinsic value. Gold is worth what it is because of the fact that we passed a law saying that so many ounces of gold are worth so much money in the United States of America. That is the reason. We could say that so much silver is worth so much money, and it would be worth that much money, in my humble judgment, just the same as we could say it of gold.

This bill will do one thing. I do not agree that it will inflate or begin to inflate what those who are opposed to it think it will inflate. I do not think it will begin to cheapen the dollar as much as they predict or as much as one-half of what some have predicted with reference to the bill. But it will put something like \$2,000,000,000 in circulation. It will put men to work. It is the only piece of legislation upon which the Senate can vote which has passed the other branch of Congress and which will put as many men to work. It will put them to work because when they get this money they will spend it. They may spend some of it for automobiles, but they will spend most of it for groceries and for the necessities of life. But whatever they spend it for they are going to spend it so that it will go into the channels of commerce and it will give employment to other men who are walking the streets to-night. When we are talking about relieving all classes of people of the Nation, I say this will not only give relief to the veterans but it will likewise give relief to others. If we believe the proponents of the bill, it will give a tremendous

lot of relief to the rest of the unemployed in the country, to the farmers in the country, and to every class of our citizenship. No one can deny that.

Mr. President, I dare say there is not a real economist or forward-looking financier who has studied the situation at all who will not say that the one essential thing necessary to do is to get the prices of commodities up if we want to bring back prosperity. There is not a thinking, forward-looking economist in the country but will say that the way to bring back prosperity is by getting money into circulation. I appreciate that there are a few selfish self-centered individuals who are thinking only of the dollars they have invested or of the dollars that they have loaned out. They do not want to see any kind of inflation. They want to suck the last drop of blood out of the American people. They are so selfish and so self-centered that they are willing to take the chance of our whole financial, economic, and moral structure breaking down in chaos in order that they perhaps might make a few more dollars.

This is the one opportunity, Mr. President, that we have for putting money into circulation. It is the one opportunity we have to start the wheels of industry, the one opportunity for raising the prices of the commodities. Senators can stand on the floor of the Senate and say they are not going to vote for the bill because of their love for the veterans and their widows and their orphans. They can say they are not going to vote for the bill because of the fact that they think it is their patriotic duty not to do so. But if they have patriotism in their hearts at all, then the thing they ought to do is to put the debtor class of this country into a position where they can pay off the indebtedness which they have incurred. If we do not do that, and if the present situation continues, then the indebtedness will have to be wiped out, because no farmer can pay off his indebtedness to-day, no farmer can pay the interest upon his indebtedness, and no farmer can pay the taxes with commodity price levels as they are to-day.

I do not care which horn of the dilemma may be taken. Senators can not contradict the proposition that the bill will put \$2,000,000,000 in circulation, and that by putting \$2,000,000,000 in circulation we will put men to work, we will bring up the price of commodities, and we will help the general economic situation, in my humble judgment, more than by any other means that has been presented to the Congress thus far, unless Senators may want to adopt a system of just issuing more currency. I do not like the idea of turning the printing presses loose. I have pleaded upon the floor of the Senate that the Congress of the United States should adopt bimetallism, but we can not get such a measure through this session of Congress. I did it because of the fact that I want to cheapen the dollar, to put it back, to put it in the same place where it was in 1927. I warned that if that was not done we would be resorting to the printing presses.

This morning, in talking with a man whom I believe to be and who is generally considered to be a great financier and a great industrialist, he said, "There is nothing so very bad about the bonus bill. It is not half as bad as a great many people believe." He said, "It will have a tendency to inflate, but that is what the country needs. It will have a tendency to bring up commodity prices. The only bad thing about it is that other groups of people and other individuals may come down and say 'turn the printing presses loose for us.'" That is the only excuse that can be given for not voting for the bill. But I assume that those who vote for the bill would have the courage to stand up and vote against turning the printing presses loose in general.

I shall vote for the bill, Mr. President, not because these men have come to Congress. I know men have said to me that they are not going to vote for it because they want to show their courage, they want to show their statesmanship, by saying that they defy the ex-soldier. It does not take much courage to do that. It does not take much statesmanship to do that. It does not take much bravery to do that. That is a simple thing to do. But it does take some courage

to vote for legislation in this body which is opposed by the great financiers of the country. It does take some courage upon the part of Members of the House and of the Senate to defy the group of individuals who control the money and the credit of the country. There is not a thinking man upon the floor of the Senate who does not in his heart know that it takes courage to defy those who guide the economic and generally the political destinies of this great country of ours.

The other night, when I sought to reduce the appropriation in the Army bill, it was stated by the present occupant of the chair, the President pro tempore [Mr. Moss], that what I wanted to do was to take money from the Army, from those to whom it belonged, and give it to those to whom it does not belong. Perhaps those who are serving in the Army now are more entitled to money and to a decent living than those who went across the sea and bared their breasts in order to save our country. It may be that a man can claim to be brave when he stands on the floor of the Senate and points to the occupants of the galleries and says he is not going to pay them any money. When I hear this statement made I am reminded of the story of the mouse who was being chased by the cat. The mouse ran down into the cellar and found some liquor spilled upon the floor and began to lap it up. In a moment it turned and ran back upstairs and said, "I want to see that cat."

Mr. President, I am not doing this because of the fact that I want to incur the favor of the ex-soldiers, because, as I said, I do not think those who are suffering to-night are entitled to any more credit than the rest of the men and women of the country who are out of employment and walking the streets. I am doing it because paying them the money will not only help them but will help all the rest of the unemployed of the United States of America to-day. I am voting for the bill because no hope is being held out in this session of the Congress of the United States, and no constructive measure has been adopted or will be adopted to take care of the unemployed. I am voting for it because when the great Republican Party met in Chicago it said to the great mass of working people of the country, as it said to the farmers of the country and as it said to the little business men of the country, "You can leave all hope behind. You can go back to your little farms, you can go back to your dugouts along the roadside, you can tramp up and down the highways and byways, if you please, and have patience and work out your own problems. You can leave all hope behind."

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter written by me on April 23, 1932, with reference to the bonus legislation, and a copy of a telegram sent by me on June 17, 1932, with reference to the same subject.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

APRIL 23, 1932.

Judge R. C. GARLAND,
Wilburton, Okla.

MY DEAR JUDGE: I am pleased to acknowledge your favor inclosing an article from the Oklahoma Legionnaire entitled "Is Senator GORE for Veterans?" You may feel sure that your letter was received in the kindly spirit which inspired it. I am sure that you will receive this answer in the same kindly spirit.

I am grateful to you and my other ex-service friends for your faithful and effective support in the recent campaign. I could name a number of such friends who, like yourself, supported me "without the shadow of turning," and whom I would walk to Oklahoma to serve. This support is appreciated the more because it was voluntary.

I have received several letters inquiring whether I would support the widows and orphans' pension bill and the bill to pay the balance of the adjusted compensation. I have uniformly answered that when those measures passed the House, when the Senate hearings are held and all the facts and phases of the subject have been presented, I would give the matter the most thorough and earnest consideration. I have always added that I would naturally be pleased to find myself in a situation to support the ex-service men's legislative program. Being a judge, you can appreciate my position. If a lawyer should file a case in your court to-day and should ask how you intended to decide the case when it is argued next month, he could hardly regard it as a proof of prejudice if you should reserve your decision until after the law and the facts had been presented. It was a proverb in ancient Greece that "a judge who decided a case right without hearing both sides was

an unjust judge." Of course, no man with any mental integrity would decide a question until he had considered it.

As you know, all this bonus legislation was passed while I was out of the Senate, and I am just now familiarizing myself with it. I need hardly repeat that I would be pleased to find myself in a position to support the legislative program of the ex-service men. Like other public men, I desire to have their good will and support. No sane man in public life would willingly, much less willfully, alienate or offend so large and respectable a body of his fellow citizens.

As you suggest, I have suffered a good deal at the hands of some of the ex-service men; but the fact that some of the legionnaires have waged war against me certainly would not justify me in waging war against all the legionnaires. I have no disposition to commit suicide like the Chinese nor commit hara-kiri like the Japanese merely to spite or even to avenge myself upon a few enemies. You may feel sure that any public man who opposes any demand of the ex-service man will do so as a matter of conviction and not as a matter of expediency. It will at least prove his sincerity, though it may impeach his prudence.

I suppose that any good politician would promise in advance to support all legionnaire measures. If I had been a good politician, I would never have lost my seat in the Senate. I voted for the Kenyon amendment to double the soldiers' pay; I voted for every dollar that was needed or asked to wage and win the war. I not only voted to appropriate the money, I voted to raise the money. When it came to economizing between money and blood I preferred to spend money and save blood. I hasten to add here that I have never been able to appraise the service and the devotion of a soldier in terms of dollars and cents; such devotion is beyond money and beyond price. I have always felt that it was an insult to a true soldier to assume that his support could be secured by an appeal to mere monetary or mercenary considerations. For the soldiers who faced death on the field of battle I have an unmeasured admiration.

It is true that I was opposed to the war and voted against the draft, but I have never quarreled with those who favored them. It was the most tragic decision that any of us were ever called upon to make.

I opposed the war, among other reasons, because I could foresee its disastrous consequences. I could foresee our present frightful distress. I knew it would enslave our people with debts and taxes. I said at the time that it would "lay burdens upon the bended backs of our people too grievous to be borne." I sought in vain to avert it.

The war has ruined the world. All economists now agree that our present plight is due to the war. It cost the warring nations \$337,000,000,000. It has already cost us fifty billions; it will cost us one hundred billions more. Oklahoma's shares will be three billions—twice the present value of all the property in the State. Of course Oklahoma must pay her share. Her people, her other Senator, and all her Representatives favored the war. Those who favored and those who did not favor the war must pay those who fought the war.

All our governments—local, State, and National—are now costing us \$46,000,000 a day. Oklahoma's share is nearly one million a day. Our war debt is now costing us \$3,000,000 a day. Our pension roll is now costing us \$3,000,000 a day. Every time the sun rises and sets the taxpayers of this country cash in \$2,000,000 to pay pensions to the World War veterans alone. That equals the total cost of the Federal Government prior to the war. But our boys fought and bled and died in France; they paid the blood price, the people must now pay the money price. They are paying. More than 880,000 World War veterans are now on the pension roll. More than 392,000 of these had no service disability whatever. Even so, the taxpayer may yet have to appeal to the veterans rather than the politicians for mercy. You will share my regret that it becomes necessary now to tax our overburdened taxpayers to balance the Budget.

The article in the Legionnaire which you inclosed wound up with these two sentences: "However, we demand of both Republicans and Democrats alike that the disabled veterans' legislation should be given their consideration. Write Mr. Gore and see what his answer to you will be." It is not necessary for anyone to write me concerning my attitude toward legislation for our disabled soldiers. I made my attitude plain during the campaign. No man has a deeper sympathy for the disabled soldiers than I have; no man is more determined to see that this Government treats them with justice reinforced with generosity. The man who was disabled in the service of his country; the man who stopped a bullet; that received a wound; that suffered an injury; that lost his health; the man whose earning capacity was impaired on account of his military service has a claim upon his country and his countrymen that I would be the last to repudiate. I know how to sympathize with the disabled. Those who run life's race with a handicap challenge my sympathy. Not only that, I would protect the widows and orphans of the men whose earning capacity was thus impaired. This is a debt which the people must pay. We can not help the dead, but we can help those who are broken in body, broken in health, and who must live their lives as mutilated images of their Maker.

But the widows and orphans' pension bill about which you ask goes much further than that. Several legionnaires have written urging me to support it. They may or may not know that it pensions the millionairess as well as the washerwoman. That bill pensions the widow of a millionaire who never saw France as well as the widow of the soldier who is still sleeping in France. That

bill would compel our farmers in Oklahoma to pay taxes with 5-cent cotton and 3-cent cattle to pension heiresses who dwell in marble halls and are arrayed like Solomon in his glory. Should we vote to tax the impoverished farmers of Latimer County in order to pension "the favorites of fate in fortune's lap caressed"? Would you have me vote to tax want to pension wealth; to tax squalor to pension splendor; to tax misery to pension magnificence? But the bill will pass if the soldiers insist, although it was 25 years after the Civil War and 20 years after the Spanish war before the widows' pension legislation was enacted. This bill will add \$70,000,000 a year to our pension roll.

As to the paying of the balance of the adjusted certificates now. If we could consult our wishes alone, that would be an undivided pleasure. If we should consult our political interest alone, there could be but one answer to that distressing question. If the money was available, if the money was in sight, all other considerations would yield to gratitude and the claims would be paid now, notwithstanding they are not due until 1945. There is one strong argument in favor of immediate payment. It would secure a wide distribution of the money and would provide many who are need with immediate purchasing power. One reason for voting against the La Follette-Costigan bill to give away \$750,000,000 was the fact that its passage would have rendered doubly difficult if not utterly impossible any proposal for the early payment of the bonus. I felt that if we were to borrow that amount it would be better to use it to pay claims than to give alms, however urgent the need.

How can the money be raised; that is the practical, that is the perplexing problem. The boys demand payment now; payment in full; payment in cash. That would take two and a half billion dollars—two and a half billion dollars out of an empty Treasury. The Treasury is worse than empty; we are now wrestling with a deficit of more than two and a half billion dollars. Our Federal Government is now costing us \$13,000,000 a day, and we are running behind \$7,000,000 a day. The deficit and bonus taken together would require the raising of \$5,000,000,000.

How can we raise that amount and balance the Budget? There's the rub. The Budget must be balanced. I know that true soldiers will insist that the Budget be balanced. If it is not, the distressing evils of the present hour may be looked back upon in the future and remembered as the good old days. If the Budget is not balanced the present price of commodities, already below the cost of production, may be hammered down still lower; that would aggravate the distress not only of our farmers but of all other citizens and our soldiers as well. That is the prospect which distresses me most. If we can balance the Budget and raise the money without unbalancing the Budget I shall rejoice to pay this claim. If we can, then so far as I am concerned the ayes have it. We issued bonds to wage the war, and I should be willing to issue bonds to pay this claim growing out of the war. I am not yet certain that this can be done.

I have delayed answering your letter from day to day in order to take soundings among the Senators upon this subject. I know that you and other soldiers will be interested to learn their point of view, and to provide me with arguments in response to theirs.

To my surprise I find that with some Senators the main argument is the fact the Legion convention at Detroit declared against the present payment of the adjusted certificates, and General Pershing, as well as President Hoover, commander-in-chief of the Army, are both opposed to their present payment. Personally I make no point of that.

Some Senators make the point that section 201 of the World War adjusted compensation act provides that: "The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days . . . as shown by the service or other record of the veteran: \$1.25 for each day of overseas service, and \$1 for each day of home service; but the amount of the credit of a veteran who performed no overseas service shall not exceed \$500, and the amount of the credit of a veteran who performed any overseas service shall not exceed \$625." And that 25 per cent was added in all cases to the amount of such credits. They contend that those who took advantage of the act passed last year received advances in excess of the total credit and allowance fixed by the law itself and that for the Government now to pay the remaining half would be the payment of interest to accrue between now and 1945 on the advances which have already been made under the act of last year. They say that it is as if the holder of a 20-year life insurance policy maturing in 1945 should bring suit demanding payment of the face value now. Personally, I make no point of this. Given the money I would willingly pay the claim as if it were due now. These Senators seem to attach no weight to the fact that all the members of a given post vote unanimously in favor of paying themselves the bonus now. They say that is voting to take the money out of the pocket of the taxpayers to put it in their own pockets to pay an obligation that is not due for 13 years, when the Government is falling behind with its obligations to the amount of \$7,000,000 a day. They say it is like submitting a lawsuit to a jury of 12 men all of whom have a common and direct monetary interest in the verdict. I make no point of that.

The one point that does concern me is this: If we can balance the Budget and raise the money without unbalancing the Budget I shall rejoice to pay this claim. Can the money be raised? The House had, and the Senate is now having, extreme trouble in raising one and a quarter billion dollars in an effort to meet one-

half of the deficit by taxation. Every proposal to increase taxes or to reduce expenditures is stubbornly resisted. The plan is to meet the other half of the deficit by issuing bonds. No one has even suggested that we issue paper money to balance the Budget.

To pay the adjusted certificates now will require two and a half billions in cash. Of course, that much cash can not be raised by any form of taxation; that is out of the question.

Can we raise two and a half billion dollars by the sale of bonds and at the same time balance the Budget? If we can, then so far as I am concerned the ayes have it. We issued bonds to wage the war, and I should be willing to issue bonds to pay this claim growing out of the war. I am not yet certain that this can be done. For that reason it has been impossible up to this time for me to return a definite answer as to the payment of the bonus now. As you see, a final, a responsible answer to that question is contingent upon a future event which is as yet in the womb of time.

The suggestion has been made in the House that the bonus be paid not with bonds but with Treasury notes. What is a bond? It is the Government's "promise to pay" in the future. What is a Treasury note? It is the Government's "promise to pay" on demand. Suppose we issue two and a half billion of Treasury notes; both capital and gold would take flight from this country. How would people obtain gold to ship out of the country? They would gather up these Treasury notes by the millions and hundreds of millions, present them to the Treasury Department, and demand immediate payment in gold; the Treasury would have to pay them on demand or else confess insolvency and bankruptcy. The Treasury notes being reissued could be presented again and again for payment in gold; the Government would have to sell bonds to get the gold to pay these Treasury notes in gold. This is exactly what happened in the early nineties. That was the endless chain, the vicious circle which precipitated the panic of 1893 and aggravated the evils of that protracted depression. Such an issue of paper money would drive gold out of the country whether it drove us off the gold standard or not, and every dollar of gold driven out would shrink the basis of potential credit at least \$10; that would mean deflation instead of inflation.

Neither a government nor an individual can continue to pay debts with debts—to pay promises to pay with promises to pay. In the long run debts must be paid with taxes and with taxes alone. Such an issue of Treasury notes would intensify the evils of this hour. Germany's disastrous experience with the mark is a red signal that should warn us against a like disaster. England went off the gold standard that reduced the value of the pound one-fourth. That lightened her debts, but her debts are not payable in gold. Our Government bonds, corporation bonds, and many farm mortgages are payable in gold.

If we should go off the gold standard and gold should go to a premium of 25 per cent, as in England, it would simply add 25 per cent to the burden of our gold obligations already unbearable. We can not afford in these distressed times to repeat an experiment which has so many failures and so much of disaster to its credit or discredit. It may be less important that such a result would reduce the value of every savings account, every life-insurance policy, and every share of building and loan stock in the country. It should be borne in mind that if the issue of paper money should result in the inflation of prices, this would be largely limited to retail prices and the prices of articles enjoying a protective tariff. The price of farm products which sell in an unprotected world market would not be correspondingly increased. The farmers' purchasing power might be diminished and his burdens more galling. I shall not quarrel with those who believe in fiat money any more than I would quarrel with those who believe in the fairies. I do not believe in either one; and while under certain circumstances I might vote to issue bonds to pay the bonus, I could not under any circumstances vote to issue paper money for that purpose. The gold standard itself is variable enough and has evils enough of its own to answer for. I am sure you would be the last to ask that I pursue a course which would deepen our present distress and defer our ultimate recovery.

We are passing through one of the most serious crises in our country's history. The destiny of the institutions for which you and your comrades fought may be trembling in the balance. Neither you nor I can afford to augment the danger or add to the misery of our distressed countrymen. I have been trying to find ways and means to change the conditions and to counteract the causes which have brought our calamities upon us. The night is dark, the fog is dense, the lights are dim, the future is still in doubt.

You may feel sure that I will welcome any light from any quarter that will help us to guide the ship of state into a port of safety. I know that you and your comrades who were under fire in France would have been the last to dictate to General Pershing and his staff what course they should pursue when the battle was raging. I am sure you will agree with me that the passengers and crew of a ship in distress ought to allow some little discretion to those who are charged with the tragic responsibility of steering the ship through the storm. As you know, a Senator is a servant of all the people and is not quite free to vacate his responsibility.

The situation in which we find our country and our countrymen to-day is as if you or I should find our residence in flames and our family entrapped in the blazing building. It might be possible for the firemen with courage and energy to extinguish the flames and rescue our family, but no burning building was ever saved when the firemen fled from the fire.

I am one of those who believe that everybody knows more than anybody, and I hope that you and the ex-service men in general will not only feel free but will feel bound to favor me from time to time with any suggestions which might help to solve our problems—to revive the prosperity and to insure the destiny of our country and our countrymen, including citizens and soldiers alike. I shall try to keep an open mind in order to avail myself of the benefits of such suggestions.

With assurances of the highest personal esteem and best wishes, I am,

Your very truly,

T. P. GORE.

[Telegram]

WASHINGTON, D. C., June 17, 1932.

Mr. HOMER B. PECK,

Vice Commander, Veterans of Foreign Wars, Enid, Okla.:

This will acknowledge telegram requesting me to reverse position and vote for the immediate payment in full of the adjusted-compensation certificates by issuance of new currency. I am anxious to do everything that I can to please and serve our soldier boys, but, as you know, it would take \$2,400,000,000 in cash to pay the full face value of the adjusted certificates. I voted yesterday and will vote to-day to pay the full cash value or the full surrender value of the adjusted certificates. That would take about \$750,000,000, but the boys should have a right to ask that, and the Government has no controlling reason to refuse such a request even though the certificates are not due under their own terms until 1945; but it would take \$1,600,000,000 more to pay the face value of the certificates now. That amount represents interest and other payments which are to accrue during the next 13 years and will not mature until 1945. Is it not the same as if the holder of life insurance who took out a 20-year pay policy maturing in 1945 should demand payment in full now instead of at maturity? Our people can not pay their debts and taxes that are already due, that are past due. We stand face to face with this question should we compel our taxpayers now to pay \$2,400,000,000 that will not mature and that will not accrue until 1945. If you were in the Senate, I wonder if you would vote to make your countrymen, to make your distressed friends and neighbors, pay two and a half billions now that are not due till 1945? It should be remembered that our Government has already paid the World War veterans in allowances, compensation, insurance, and otherwise more than \$5,500,000,000. The Government is already caring for our disabled veterans. Three hundred and twenty-seven thousand veterans are now on the pay roll whose disabilities resulted from their military service. Three hundred and eighty-two thousand veterans are now on the pay roll whose disabilities have no connection with their military service.

To pay the adjusted-service certificates in full now would go in part to the disabled soldiers who are already taken care of and in part to those who are not disabled, but if we had the money, or if we could raise the money without deepening our distress, I would consent to disregard both the letter and the spirit of the adjustment between the soldiers and the Government and vote to pay them now, even though they are not due until 1945. Last year we had a deficit in the National Treasury of \$903,000,000; last year we paid our soldiers one billion one hundred million. This year we have a deficit of more than two and a half billions. We have met that with borrowed money. We have been facing a deficit next year of two and a half billions. We have been taxing everything and everybody to meet that deficit and balance the Budget; we have taxed everything from farmers' gasoline to the candy of little children. We can not raise the money to pay the bonus by any sort of taxation. The Treasury experts and financial authorities practically all agree that to pay the bonus with paper money would aggravate and would protract the evils of this unspeakable depression. I wish to shorten, not to protract, this panic. You can not imagine how much distress it gives me to return this sort of answer. I believe that if the leaders of the different veterans' organizations had gotten together with their friends a practical program could have been worked out that would not have ended in total defeat. This bill has never had a chance to escape or survive the President's veto. Of course everybody knows that and has known it all the time. As much as I dislike to issue bonds and increase debts, I would vote to issue bonds and pay the boys whenever that can be done without unbalancing the Budget and without multiplying and aggravating the evils of this depression. I am afraid that to issue either bonds or paper money at this time to pay a claim that is not due for 13 years would injure every class of our citizens, including the soldiers themselves, as well as our farmers and laborers. I am sure that no soldier who fought to defend his country in time of war would vote to injure his country in time of peace.

THOMAS P. GORE,
United States Senator.

Mr. WALSH of Massachusetts. Mr. President, I would like to inquire of the Senator from Utah [Mr. SMOOT], in order that the record of the proceedings may be complete, whether or not he has offered for printing in the RECORD the adverse report of the Finance Committee upon the pending measure?

Mr. SMOOT. It has been printed as a Senate document.

Mr. WALSH of Massachusetts. I would like to have it printed in the RECORD in order that it may be made a part of the proceedings of this day.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(For report of committee see page 13222.)

Mr. WALSH of Massachusetts. Mr. President, the senior Senator from New York [Mr. COPELAND], the junior Senator from New York [Mr. WAGNER], my colleague the junior Senator from Massachusetts [Mr. COOLIDGE], and myself have signed a statement which we gave to the press yesterday, setting forth our views in opposition to this legislation. I ask that the statement may be printed in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

We have supported and will continue to support all measures for the compensation and relief of disabled soldiers. We always urged and voted for a cash payment or bonus instead of the adjusted-compensation certificates. We believed this to be the fairest way of meeting the inadequacy of the Government's compensation to its soldiers during the World War.

The proposition as it is presented to us, however, is not to pay the veterans the cash surrender value that may be due. We favor that. It is a proposal to pay the veterans \$2,400,000,000, including 12 years' interest not yet due for certificates not payable until 1945. It is also a request that the taxpayers of the country advance the interest on these certificates that may be earned during the next 12 years. This represents an absolute gift of \$1,635,000,000, which is the exact amount over and above the present value of the certificates.

If the country were prosperous and free from the danger of an economic breakdown, we could defend this vast expenditure in view of the distressed condition of many veterans. But, unfortunately, the veterans are not the only unemployed sufferers; millions of other Americans are in the same sad plight. But even this situation would ordinarily justify preference to the veterans.

However, a much more important obstacle prevents our approval—an obstacle that can not be waved aside without most serious consequences to the whole country. The condition of the Public Treasury and the serious menace to the credit of our Nation make it impossible to act favorably on this measure without bringing financial ruin to the country. To take this action now would, in our opinion, produce financial chaos.

Our opportunities to study this problem give us an understanding of what may happen to individual credit, to bank accounts no matter how small, to home mortgages, to insurance companies, and other savings institutions. It means prolonging and intensifying unemployment and an increase in suffering for those who pray for the reopening of shop and factory and a restoration of building and trade. We sincerely believe the relief of the veterans would be offset a hundred times by the increase in hunger and suffering throughout the land.

The Federal Treasury is the last hope of a distressed people. Upon this we must depend if all else fails. It may prove our only hope to save the people from starvation. If the Nation's credit is further contracted, as is certain to be the effect of this proposal, the depression may continue indefinitely, with even the danger of our institutions, financial and political, being irreparably impaired.

That we shall need an unimpaired Treasury next winter no one can question. We propose that when the call comes for that last-ditch aid the Federal Treasury shall not fall the hungry, the suffering, and the destitute.

Against all the dictates of our personal desire, and after long and most serious consideration, we have concluded we would be unfaithful to our public trust and our obligation to all the people if we were to support the pending bonus measure.

DAVID I. WALSH, Massachusetts.
ROYAL S. COPELAND, New York.
ROBERT F. WAGNER, New York.
MARCUS A. COOLIDGE, Massachusetts.

Mr. BLACK. Mr. President, I send to the desk and ask to have read a petition sent to me, signed by an overwhelming majority of the business people of Birmingham, Ala., in connection with the passage of this bill. I do not care to make any remarks or detain the Senate at this late hour, because I think we can vote very shortly upon the bill. But I do desire to have the statement read, and read in such a way that the Senate can see the petition itself. I do not desire to have all the signatures read. I simply desire to have it read in such a way that it may be seen by Members of the Senate. I should like to have the clerk turn so that the petition may be seen.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

BIRMINGHAM, ALA., May 23, 1932.

Hon. HUGO L. BLACK,

The Senate, Washington, D. C.:

The undersigned business firms of Birmingham herewith recommend that immediate full cash payment of veterans' adjusted-service certificates be authorized by Congress and firmly believe that this money put in circulation at this time will benefit the entire Nation and be a powerful stimulant in lifting our country out of the throes of the present economic crisis.

Mr. DILL. Mr. President, for several years the Congress has had before it the problem of paying the bonus; in fact, it has become, as the Bible says about the poor, something that is always with us. When the issue first was presented to the Congress some years ago I came to the conclusion that the Government owed the ex-service men a certain amount of money that had not been paid them during the World War, that that money should be paid, and I have voted for every proposal that has been made to pay the bonus in full. The President vetoed the bill, and the Congress overrode that veto.

The hard times of the last three years, however, have brought a most insistent demand from the ex-service men, from their friends, and from those who believe in the justice of their claim, that Congress should pay this money at once. So in the last Congress we voted not to pay them, but to loan them 50 per cent of the face of their certificates on a basis of interest charges which, if continued, will eat up the balance of the bonus for all these boys. We now have before us the proposal to cancel the interest and to pay the balance of the face of these bonus certificates at once to these men.

I may be wrong in my conclusions regarding the effect of this proposed legislation, if it should be passed; naturally Senators differ, just as economists and authorities on the monetary systems of the world differ; but I can not bring myself to believe that we can print \$2,400,000,000 of paper money with nothing behind it and pass it out among our people without wrecking the monetary system of the country.

I recognize that there is to-day a certain amount of paper money that has no security behind it other than the promise of the Government to pay, but that amount is limited; and in view of the securities which are held to sustain that money and the gold reserve, I believe there is to-day more than 100 cents on the dollar behind every piece of money that exists in the United States.

There are about \$5,000,000,000 outstanding, we are told. Now it is proposed to issue two and one-half billion dollars more without any security whatever and to pass it out to the veterans. I can not bring myself to believe that such money, if issued, would be anything but fiat money, and that its issuance would bring upon the country an inflation that would make it impossible for anybody to know from one day to another the value of the money of the United States.

I for one refuse to be led into voting for what I think is a proposal which will result in destroying the monetary system of this country under the guise of paying a bonus. Every one of us from childhood has had burned into our brains the old saying, "It is not worth a continental." What do the words mean? Knowledge of the worthlessness of the continental paper money has come down from Revolutionary days, until we say of anything which is of doubtful value that "It is not worth a continental."

Following the Civil War period there were those who said that if we issued greenbacks with the guaranty of the Government behind them money in that form would be sound, but again their predictions were wrong, and the greenbacks were not worth 100 cents on the dollar; they varied up and down in value according to the thought and faith of the people.

So, Mr. President, much as I am in favor of paying the veterans of the World War what I think they are entitled to have, much as I believe it is the duty of this Government to pay that debt and pay it now, I can not and I will not stultify myself by voting for the issuance of two and a half billion dollars of fiat money which, in my judgment, will be a fraud upon the veterans, because the money they receive will depreciate in their own fingers before they can spend

it, even if they should spend it within a week of the time they get it and it should be issued right away. It will be a wrong to the American people, who, having so little money as they now have, after the issuance of this great amount of paper money will not know the value of our money.

So, for one, much as I desire to see this bonus paid—and I believe it should be paid—I can not vote for this legislation, and thereby do what I think would be an irreparable wrong to the American people.

If there is any one thing that the Congress ought to do in these days, it seems to me, it is to maintain the soundness of American money. I know there have been periods in our history when there was a tremendous amount of currency outstanding with nothing behind it but the guaranty of the Government; but I remind the Senate that those were periods when the people had faith in the financial institutions of the country, when they had faith in the business institutions of the country, when they had faith in the Government of the country. That, however, is not the condition to-day; the American people have lost faith in the great financial institutions of this country; they have lost faith in the banks; they have lost faith in industrial bonds and securities; they have almost lost faith in the Government itself; and in a time like this I can not bring myself so to stultify myself as to vote to put upon the American people two and a half billion dollars of cheap paper money.

But, Mr. President, simply because I am unwilling to do that is no reason why I should not be willing to propose a plan and stand behind a plan to give the veterans what they are entitled to have in money that is sound, in money that will be worth 100 cents on the dollar; and I want to offer for the consideration of the Senate an amendment that will make it possible to pay the surrender value of these certificates at the present time at 2 per cent discount, and pay it in cash, by selling bonds to the people of the country, putting the money thus obtained in the Treasury and paying it to these men. That is an honest proposition; that is a decent proposition; that is a proposition that Senators can vote for and look the veterans in the face and look their fellow citizens in the face and know that they have kept their oaths of office by supporting the Constitution of the United States and that they have tried to serve the interests of the people of the United States.

Mr. President, this bill has reached a parliamentary status in the Senate which is known as the third reading. I want to offer an amendment, but I am told that the amendment is out of order. The fact of the matter is that no amendments have been offered to this bill. The reason for it is that the Senate was engaged in a general discussion of the bill; Senators were not on the floor, and had no idea that we were coming to a vote. The Vice President, or whoever was in the chair at the time, said the question was on the third reading of the bill; the bill was read the third time, and the yeas and nays were ordered on its passage. Consequently we were shut off from offering amendments, and I submit that under these conditions I ought to have the right, by unanimous consent, to offer an amendment whereby those of us who want to vote for an honest bonus measure may have a chance to do so.

The PRESIDENT pro tempore. May the Chair say to the Senator from Washington that that right exists under the rules? Amendments may now be offered by unanimous consent.

Mr. DILL. I understand that, and I am going to ask such unanimous consent in just a moment, but I want to make the situation clear. I am willing, if unanimous consent shall be granted, along with it to ask for a limitation on debate not to exceed five minutes on the part of any Senator. I want to appeal to Senators to be fair in this matter. It is a common custom in the Senate when a bill of great importance, such as this, is before us that Senators do not stay here all the time. The Senator in charge of the bill generally stays here all the time, and there are oftentimes parliamentary steps taken without Senators being aware of them, just as occurred in this case. I do not think I am asking anything unreasonable or anything unjust

when I ask unanimous consent to offer an amendment, the debate on it to be limited to five minutes by any Senator; and I now make that request for unanimous consent.

The PRESIDENT pro tempore. Is there objection?

Mr. BLAINE. Mr. President, withholding objection for the time being, I want to call the attention of the Senator from Washington that it is very evident he has overlooked the fact that the Treasury notes which are to be issued under this bill are redeemable the same as are any other Government notes that are outstanding, and there are several types of notes outstanding.

As a matter of fact, to-day there is \$1,300,000,000, as I pointed out in the debate this afternoon, without any reserve whatever, without an ounce of gold back of it, all of which maintains its stability only because there are United States Government bonds which serve as the obligation and the promise of the Government of the United States, or by operation of law, are they stabilized.

The bill now before us provides for the issuance and deposit of United States bonds in the sum of \$2,400,000,000 with the Federal reserve system. The Federal reserve system has the authority to dispose of those bonds identically in the same way that they have authority now to go out in the open market and sell United States bonds, and with the same effect. The money that will be issued under this bill will be just as sound and just as stable and just as honest as the \$1,300,000,000 now in circulation, which I discussed this afternoon.

So the Senator is merely proposing now a new method, the result of which will be identically the same as that proposed by the bill. The only difference between the Senator's proposal and the proposals at present in the bill is this:

Under the Senator's proposal he would issue \$2,400,000,000, less a discount of 2 per cent, of United States bonds to be thrown upon the market, which in all probability would crash the market, would depreciate every United States bond now outstanding, would bring a crash upon this country the like of which we have never experienced.

Mr. DILL. Mr. President, I did not yield to the Senator from Wisconsin for a speech. I shall be glad to answer any questions the Senator may ask.

Mr. BLAINE. If the Senator will permit me to finish my statement—

Mr. DILL. I yield to the Senator for that purpose.

Mr. BLAINE. It would bring a crash in the financial affairs of this Government. Under the proposals of this bill the \$2,400,000,000 will be fed out to the public as the Federal Reserve Board may in its judgment determine, in order to secure the stability not only of the financial affairs of our Government but, as well, the stability of every bond issued by the Federal Government.

So, Mr. President, in view of that situation, I must object to any unanimous-consent agreement to the offering of any amendment at this stage.

The PRESIDENT pro tempore. Objection is made.

SEVERAL SENATORS. Vote!

Mr. DILL. Mr. President, the Senator either did not hear me when I spoke, or he did not pay close attention to what I said.

I am fully aware that there are considerable sums of currency outstanding based on United States Government bonds. I so stated. In fact, there is some currency that does not even have bonds back of it. But this proposal is to add \$2,400,000,000 on top of that, which in my judgment will destroy the sound value not only of those that will be issued but of those already outstanding.

In the second place, I am not proposing to unload \$2,400,000,000 of bonds at all. I am proposing to unload probably about a billion dollars of bonds upon the market, and in that way to obtain money of the United States that has security back of it, and pay it to these men. So that there is a vast difference between the proposal which I am making and the proposal which is in this bill, which the Senator says is the same.

Mr. BLAINE. Mr. President, will the Senator yield for a question?

Mr. DILL. I yield for a question, but not for a speech.

Mr. BLAINE. I desire to ask the Senator to what extent the billion dollars which he proposes to raise will discharge the \$2,400,000,000 of obligations?

Mr. DILL. It will discharge the surrender value of these certificates. I can not see on what theory we should pay to these veterans now the face value under date of 1945. I think they are entitled to the surrender value of these certificates now, and I have made the basis $2\frac{1}{2}$ per cent.

Mr. BLAINE. Mr. President, is my understanding correct that the Senator proposes to discount the adjusted-compensation certificates 2 per cent?

Mr. DILL. Two and a half per cent.

Mr. BLAINE. Does the Senator contend, then, that it will take only a billion dollars to discharge the obligations?

Mr. DILL. I am not sure of the amount, but I have been told that it will take probably about a billion dollars, considering that the men who have not already borrowed probably will not want to surrender their certificates. I am thinking now in terms of the men who have already borrowed one-half of the face of the certificates.

Mr. BLAINE. Mr. President, the explanation is entirely unsatisfactory. It does not meet the situation at all. I think we had better pursue the course outlined in the bill. I object.

The PRESIDENT pro tempore. Objection is made.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The Senator from Washington has the floor.

Mr. DILL. Mr. President, of course this objection can be made, and we are helpless in the matter, but it does seem to me a very unjust proposition that no amendments can be offered to this bill.

They have the power in the House of Representatives, and exercise it, by rule, to prohibit amendments. Here, a parliamentary situation develops without notice, without opportunity of presentation of amendments, because Senators do not happen to be on the floor during the whole of a long debate, and then all opportunity to offer any amendment is cut off. Of course, that being the case, and some Senator objecting, I am unable to bring about a vote on this amendment.

Mr. TRAMMELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Florida?

Mr. DILL. Not for a moment.

However, I do want to avail myself of what I think is my parliamentary right.

I now move to recommit this bill to the committee with instructions to amend the bill, on page 2, line 1, by striking out the word "face," after the word "the," and inserting the word "surrender," and in line 2, after the word "computed," by inserting the words "at the rate of $2\frac{1}{2}$ per cent."

Then, on page 4, in line 15, strike out the word "face" and insert the word "surrender" again, and in line 18 strike out "in Treasury notes" and insert "from the Treasury of the United States." In line 20 strike out the words "issue United States notes" and insert "sell 20-year bonds." Then, in line 21, strike out the rest of section 2 down to section 3.

The PRESIDENT pro tempore. The Senator from Washington moves that the bill be recommitted with certain amendments, which he has stated. [Putting the question.] The yeas have it, and the motion is rejected.

Mr. SCHALL obtained the floor.

Mr. NEELY. Mr. President, will the Senator from Minnesota yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. SCHALL. I do.

Mr. NEELY. I ask unanimous consent that after the conclusion of the address which the Senator from Minnesota is about to deliver debate shall be limited to five minutes, and that no Senator shall speak more than once until the bill is finally disposed of.

The PRESIDENT pro tempore. Is there objection?

Mr. BLAINE. Mr. President, reserving the right to object, I want to suggest that there has been an ignominious silence here this afternoon on the part of those who are opposing this bill for other reasons than have been set forth here this afternoon. I think that we ought to give them an opportunity to discuss this bill.

I therefore must object.

The PRESIDENT pro tempore. Objection is made. The Senator from Minnesota has the floor.

Mr. SCHALL. Mr. President, the assumption of virtue by which we have to-day been giving pious and statesmanlike excuses for voting against this bill seems to me only to be equaled by the patience with which the ex-service men are forced to endure them.

Such excuses remind me of the father who, chastising his son, remarked that it hurt him worse than it did the son; and the son replied, "But not in the same place, Dad." [Laughter.]

We are applying our poultices to the wrong place. It is the stomach of the ex-service man that is in pain, it is the heart that is wrong when he has no work with which to earn the necessities for his wife and little ones. Why talk of tweedledee and tweedledum when dire necessity is in the saddle?

They are hungry and out of jobs. They did their work and earned their pittance. Must they wait a generation for the money we owe them?

WALL STREET DIDN'T WAIT

The beneficiaries of the war did not have to wait. They got their billions while the boys were fighting. The financiers got their \$3,000,000,000 "reconstruction" dole as soon as they asked us for it. It would have been thoroughly impolite to have caused them any anxiety of waiting. Their newspapers and radio agitators condemned us for even keeping them waiting a few days till we examined their \$3,000,000,000 demand. Now these same implements loudly applaud us for the serious and dignified demeanor and uplifted arm of adjectives and statesmanlike words we employ to ward off the soldier boys' demand. Shall the boys who saved the world for democracy and for Wall Street have to wait until 1945?

Is the bill for a currency issue of \$2,000,000,000—secured if need be by a bond issue—beyond our financial resources?

Since 1920 our interest-bearing debt has been cut down over \$8,000,000,000. A further debt of \$2,000,000,000 would not endanger the world's greatest financial power.

Since 1920 our gold reserves have grown by \$2,000,000,000. Our Federal reserve notes have been contracted by \$1,600,000,000. Both give foundation for new currency. Since 1920 the per capita money circulation has been reduced by \$20 per capita.

The country needs the money and is able to finance the issue. We owe the veterans. Why keep them waiting until 1945? Shall we wait until most of them are in their graves? Why issue \$3,000,000,000 of credit to finance the financiers and then rebuff the boys who fought to save the financiers' country?

As a Member of the House, I listened 15 years ago, and in 1924, to all the same noble excuses that have been made here this evening and during the day. I heard the same thing then that we have heard here to-day; the excuse that we were going to ruin the Government, we were going to inflate, we were going to do this, and we were going to do that. The only excuse that I have not heard to-day, but which was prevalent in 1924 in the House, is the excuse that the boys would only squander this extra \$1.25 in riotous and infamous living.

We owed this bill in 1918. One dollar and twenty-five cents a day extra for getting killed for your country, and then you have to race with life for 20 years in order to collect! Why, there was not a man, woman, or child in this country that you could hire for less than \$5 a day.

I was in France in 1918. I was in Paris when the "Big Berthas" were throwing their shells in there. German patrols had been captured within 6 miles of Paris. Conster-

nation was everywhere. Refugees with their kith and kin were getting out of the city.

AMERICAN COURAGE

Our boys started the Chateau-Thierry drive in June, which was America's first real participation and the beginning of the end. They finished the job in six months. No dilly dallying, no loss of time, they cleaned the job up satisfactorily and surely are entitled to \$1.25 extra for their overtime, speed, and efficiency.

Foch realizing that Paris was doomed looked for some means by which to deter the steady march on Paris.

The Crown Prince, with the Prussian Guard, at the head of a great army, was moving toward Paris at the rate of 4 or 5 miles a day. They captured Belleau Wood. Their cannons placed, they swept the road for miles ahead. They were confident of going into Paris. So sure were they—and they were not alone in it; the French, the English, the Belgians, the Italians, and the Germans believed it—that they dressed themselves in their dress uniforms, starched bosom shirts and spiked helmets.

It was a gala day, for nothing could deter them from marching into Paris. Foch withdrew his troops for a last desperate stand. He thought of the American boys. He did not believe they could alter the situation, but he did hope that they might badger and detract. Foch had no faith in the undisciplined Americans. They were not trained, and an untrained soldier to him was a zero with the rim rubbed off; but he thought he would use them as a sort of stopgap for the real soldiers, the French, the veterans, the boys that had been fighting, you know, and would not get out of the trenches, who stayed there and called it a stalemate until the Germans charged them and drove them out. These supersoldiers he moved back for the last stand before Paris.

So fierce was the attack of the Americans that the Germans thought there were unlimited reserves. A miracle was performed; the oncoming victorious Germans turned back and the destiny of civilization changed. This kind of soldier boys ought to be proof to any Senate that they were worth over and above the \$1 a day they received an extra \$1.25, and they ought not to have to wait 20 years to get that, even if there were no question of hunger and want of themselves and their loved ones.

The German retreat brought the French up alongside, but the American contingent pushed its nose out into the enemy faster than the French troops. Foch sent orders to the commanders of the salients again and again that the American troops were going too fast and that they should be held back. Finally, not having his orders obeyed, he called the commander of the salient upon the carpet, and the commander defended himself by saying, "How the h— do you expect me to hold them back when the whole German Army can't?"

He did not know, but what he needed was real action, and he got it from our boys. He picked up four regiments of them, the Fifth and Sixth Marines, and a couple of other regiments, loaded them onto trucks, and drove them up there in the night, in the rain, and they were unloaded in the mud. As they passed the retreating French they were hailed by "You're zigzag; you're crazy. Sure death ahead. Go back." But these eager, smooth-faced Americans, who had never smelled the smoke of battle, were not made of the stuff that goes back when the enemy is in front. And yet we can not find it in our hearts to give them an extra \$1.25 a day for this kind of work. The next morning when the Germans attacked they were met by these four regiments of American boys, about 15,000 in all. Five German divisions. They were stopped and turned back.

The boys did their work well, and victory over the hitherto undefeated Prussian Guard sent an electric current of success down the lines of all the Allies and kindled the morale that was dead back into life. Some of these boys are sitting up there in the gallery. That kind of stuff is worth preserving, it is worth honoring, even to the extent of irritating Wall Street in order that we may keep our word.

WAR DEBTS AND MORATORIUM

We not only owe this money morally but because we have agreed to pay it. I remember when the House voted to give them a \$60 bonus. That would not buy them a suit of clothes at that time. Then we dawdled on for years, and finally passed this thing that is here, this graveyard bonus. And now you are refusing to redeem those certificates. The boys are hungry, they are out of work, they need help, they fought your battles. Why don't we vote to pay?

Oh, says somebody, we have not the money. We did not have the money, either, when our noble allies wanted to borrow it from us. What did we do? We went out to the people and got it, just as this bill proposes that we should do here to-night. We sold bonds. The people went down into their socks, and behind the old mantelpiece, and dug up some \$12,000,000,000.

A lot of that money, half of it, I think, was loaned after the armistice. I know a billion three hundred million was loaned to France after the war was over.

We paid for transporting every one of our soldiers across the water. We paid from \$80, I think, up to \$140, for every soldier they took across to fight their battles. We paid cash as we went.

After figuring up what they owed us in the way of money loaned, the money we borrowed from the people to give the Allies, we promised to pay the people back that money with interest at $3\frac{1}{2}$ to 4 to $4\frac{1}{2}$ and 5 per cent, and at the end of 25 years pay back the principal.

England owed us \$4,715,000,000. We gave her the principal—big, generous boys, but we will not pay an extra \$1.25 to the men who did and would lay down their lives for us. A dollar and a quarter! And we are haggling here about giving it to them. We haggled back there 15 years ago. At the very same time we were lending billions to our noble allies for whom we had to send our boys to Europe to win the war.

They are displeased now. They say we did not come over early enough. If we had waited six months longer—yes, three months—they would not have been calling us "Uncle Shylock" to-day, because the Germans would have been in possession of Paris, and had Paris fallen France would have fallen, for Paris is the heart of France. Munitions, railways, manufactures centered there.

Had France fallen, the English would have soon been pushed back into the channel and the war would have been over, and we would have been good fellows, like the rest of the nations that did not lend them any money and did not fight their battles for them. From the way they talk to-day you would think that we had lost the war. Instead of being grateful for our altruistic entry into this war, they call us "Uncle Shylock." Why? Because they are to pay us a slight little interest on the money we loaned them. The only nations that went into the war without thought of reward were China and the United States. Every other nation, it has oozed into light since, went into the war because they wanted something that somebody else had.

In settlement we asked not a penny of reparations, not a foot of land. Because of this war England now owns nearly a third of the face of the world. In that settlement France filled her pockets, Italy her lap, and Japan her arms. The only tangible thing that we got was prohibition.

England treated us in the settlement the whitest of any. We have agreed to settle, to wipe out the principal of \$4,715,000,000. We did not hear anything about the Government going to smash because of that. We did not hear about the inflation proposition that would drive bonds down and something else up. We just settled and gave them that principal, and accepted in lieu thereof a small interest of 3.7 per cent over a period of 62 years.

We loaned France \$4,400,000,000. We gave her the principal and accepted a dinky little interest of 2.17 per cent. But still she calls us "Uncle Shylock."

Belgium we loaned half a billion. We accepted interest there of 2.1 per cent.

Over half of the amount Italy owed us was borrowed after the armistice. We loaned her \$2,150,000,000, and we gave her the principal and accepted in lieu thereof the minute interest of 1.1 per cent.

We loaned 12 different nations \$12,000,000,000, and we are getting an average of less than $2\frac{1}{2}$ per cent interest on this, the principal entirely forgiven. We are paying interest on this \$12,000,000,000 we loaned our noble allies, a little less than \$800,000,000 a year, so that on interest alone we are losing half a billion dollars a year, and yet we must pay the principal when it comes due. Surely if we can do this for nations who do not appreciate it and slander us for not doing more, we can give to the boys who represented us over there so nobly an extra \$1.25 a day.

Let nobody mislead you with this "bunk" that is being peddled constantly from across the water about our settling for a percentage. There is no percentage about it. We gave them the principal and accepted only a dinky little rate of interest. And they want us to cancel that, and we did grant them a moratorium this year for this \$250,000,000 at the expense of our own taxpayers.

It seems to me, Senators, that the thing to do here is just to be men, just use common sense. Not be such great statesmen, not be so prolific in the use of words that convey only something we do not mean. Just admit that we owe this to the boys and figure out some way to take care of it. If we have not got the money, let us borrow it. We did that for foreign nations. Why can not we do it for our kith and kin and blood?

UNEMPLOYED

I want the unemployed put to work. I voted for the La Follette-Costigan bill, and will vote for any other bond bill that may be brought up here that would put the men of this Nation to work. Here you have a chance to take care of these boys and some of us are throwing it away in the hopes we are going to get a chance to vote for some other bill in which they may be taken care of. It seems to me a bird in the hand is worth several in the adjacent bush. They went over there and they lost their jobs. Oh, we were going to do wonders for them when they came back, and when they came back they could not get their jobs and somebody else had their girls, their sweethearts, and in some instances even their wives, and yet there are those who fear that it will ruin the country to pay them an extra \$1.25 a day, yet we paid every other claim, even the Government employees, or gave a bonus and that bonus cash. Twenty dollars a month added to their wages that has continued up to now. They had jobs. The soldiers had to look for their jobs. We did not compel the employees to wait 20 years to get it. We gave the railroads a bonus; we have bonused everyone except the American soldier.

Mr. President, I had opportunity to observe these boys on the field of battle. I lined with them at mess and communed with them in bivouac in the night, at a time when men's tongues are loosed and they talk. I was on the *Mount Vernon* when she was torpedoed 250 miles off the coast of Brest, where over 40 of our sailor boys were killed. I talked with two of them while they were dying, literally scalded to death, and I am bursting proud to only belong to the country which raises such stock. The American soldier, sailor, and marine are the bravest in the world. If I had but one word, I should describe them with the word "courage." No nation in all the annals of the past anywhere in history has produced such bravery, such willingness to die. Let us imitate their courage and valor and vote them this bonus despite the repercussion of Wall Street.

ROMAN REPUBLIC

Despite the heroic efforts of Julius Caesar, the Roman Republic fell because her Senate forgot her soldiers. Seventy senators partook in the stabbing of Caesar and the denial of a just reward to her soldiers. Shall we duplicate their action? The invading army of Huns, Norsemen, Mongols marched to victory and Rome burned. Her defenders had become the rabble of the street, no longer interested in the defense of their country. To-day Rome is but a memory, a lesson. The same problem is now before us. What will our answer be to our veterans now tramping the streets in search of work, in quest of food for selves and families? Senators, shall our "no" be the beginning of the end of another great Republic?

I will not take more time of the Senate. We are near a vote and it is late.

Mr. GORE. Mr. President, I had intended to offer two amendments to the pending bill, but I find that the bill has been advanced to the third reading, that the yeas and nays have been ordered, and that the bill has reached the parliamentary stage where amendments are out of order. I had intended to move an amendment on page 2, line 1, to strike out the word "face" and to insert the word "surrender" so that it would read surrender value, that would have provided an immediate payment of about 750 millions to the veterans. That amendment, however, has just been offered by the Senator from Washington, and has failed in this parliamentary situation.

I had intended to move an amendment on page 5, line 8, to give the bonds authorized in this measure the circulation privilege. The amendment simply embodied provisions of a bill recently reported by the Senator from Virginia [Mr. GLASS] at the instance of the Committee on Banking and Currency. This would have insured their sale at a fair price and would provide a basis for an increase in our circulation. I should have followed that with an amendment to eliminate the fiat money features of the pending bill.

I ask the Senator from Utah whether he is fixed in his purpose to object to all amendments?

Mr. SMOOT. Yes; I will have to.

Mr. GORE. Mr. President, I shall not detain the Senate or delay the vote more than one minute.

I shall not elaborate my views on this measure, because everybody knows that this bill will not become a law. Everybody has known from the beginning that this bill would not be enacted into law. Everybody has known from the beginning that if this measure passed Congress, it would be vetoed by the President of the United States. Everybody knows that it could not escape a presidential veto. Everybody knows that it could not be passed over the veto of the President. That fact has faced us grim as a death's head from the beginning.

This scene enacting here to-night is a mere pantomime. It is a vain show. If any soldier boy has been led to believe that this measure would become the law or that the bonus would be paid now, he has been misled; he has been dazzled by the radiance of the rainbow; he has been pursuing the radiant and the receding splendors of the rainbow; it has been a bow of promise, merely that and nothing more; he has been pursuing a rainbow, and there was not even a fabled pot of gold at the foot of this rainbow.

Mr. President, to me there is something about it all that is pathetic, that is pitiable.

Mr. BRATTON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Sheppard
Austin	Dale	Kean	Shipstead
Bankhead	Davis	Kendrick	Shortridge
Barbour	Dill	King	Smoot
Barkley	Fess	La Follette	Steiwer
Black	Fletcher	Lewis	Thomas, Idaho
Blaine	Frazier	Logan	Thomas, Okla.
Borah	George	McGill	Townsend
Bratton	Glass	McNary	Trammell
Brookhart	Glenn	Metcalf	Tydings
Broussard	Goldsborough	Moses	Vandenberg
Bulkley	Gore	Neely	Wagner
Byrnes	Hale	Norbeck	Walcott
Capper	Harrison	Norris	Walsh, Mass.
Caraway	Hastings	Oddie	Walsh, Mont.
Carey	Hatfield	Patterson	Watson
Cohen	Hawes	Pittman	Wheeler
Connally	Hayden	Reed	White
Coolidge	Hebert	Robinson, Ark.	
Copeland	Howell	Robinson, Ind.	
Costigan	Johnson	Schall	

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

Mr. FRAZIER. Mr. President, I do not rise to offer any excuse for my vote upon the bill nor have I any apologies to offer for the vote I shall cast.

When the World War started and the draft law was enacted by Congress, I went on record to the effect that if we were going to draft the young men of the United States to fight our battles we should also draft the wealth of the United States to pay for the war as we went along. That suggestion was held at that time to be almost anarchistic, but if that had been done, we would not be in the financial condition we are in to-day. We would not be called upon to pass a little bonus bill for the boys who fought the war, either.

Mr. President, I have been rather amused at some of the statements that have been made and some of the reasons given as to why certain Senators felt compelled to vote against the measure. Some of them seem to have felt that the issue of \$2,400,000,000 of paper money might destroy the financial system. I want to say the financial system at the present time is mighty badly bent. I am not sure that a couple of billion dollars new issue might not help to straighten up the bad situation that exists at the present time.

From the 1st of September, 1929, to the 1st of December, 1931, it is estimated that \$90,000,000,000 was lost in stocks and bonds on the market, according to the figures of the New York Stock Exchange. Ninety billion dollars lost in stocks and bonds! The United States Congress sat idly by and let the gamblers fleece the people out of that money and it did not destroy our financial system either. That \$90,000,000,000 amounts to \$750 for every man, woman, and child in the United States. That is as much as the bonus will amount to for the boys who are asking for the balance of their bonus at the present time. That \$90,000,000,000 lost in the stock exchange is eight times the amount of gold in the whole world to-day.

It is about time a lot of us here began to worry over the situation, it seems to me, when millions of men and women are out of employment, when prices of our farm products have gone so low that no one can begin to get cost of production for them. It is time we began to worry. It is about time to lock the barn door after the horse has been stolen.

Mr. President, in my opinion the World War veterans are entitled to more than they were getting even if they were paid in cash at the present time. Since the close of the World War our hospitals and sanitariums and insane asylums have treated more than 100,000 mental patients among the World War veterans. Over 100,000 of those boys have lost their reason. Most of those cases have passed on, but according to the latest figures, on March 31 of this year, 16,918 of those same World War veterans were still in sanitariums and insane asylums with their reason all gone or partially gone because of the effects of the World War.

There are more of them on the verge of insanity, left without any money, without any work, their families going hungry. Here we are about to deny them a little cash bonus to enable them to eke out an existence for a few months at least. Undoubtedly we will have to appropriate money to feed the people of the United States before another year rolls around. If this money due to these soldier boys were paid now it would at least take care of that group for a time or until perhaps we can enact some legislation looking toward a great system of public works that will give employment. These boys would like to have steady employment rather than the cash bonus at this time, but apparently they are not going to get either one.

Mr. President, as I said in the beginning I have no apology to make for the way I am going to vote. I believe 90 per cent of the people of the United States favor the payment of the bonus at this time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall the bill pass? On that question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a pair with the junior Senator from Iowa [Mr. DICKINSON].

If he were present, I understand he would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

Mr. SHEPPARD (when Mr. Bulow's name was called). The junior Senator from South Dakota [Mr. Bulow] is unavoidably absent. He is paired with the junior Senator from Tennessee [Mr. Hull], who is also unavoidably absent. If the junior Senator from South Dakota were present, he would vote "yea," and if the Senator from Tennessee [Mr. Hull] were present he would vote "nay."

Mr. LA FOLLETTE (when Mr. Cutting's name was called). I was requested to announce that the junior Senator from New Mexico [Mr. Cutting] is unavoidably absent on account of illness. He is paired with the junior Senator from Mississippi [Mr. Stephens]. If the junior Senator from New Mexico were present, he would vote "yea," and I understand the junior Senator from Mississippi would vote "nay."

Mr. GLASS (when his name was called). I have a pair with the senior Senator from Connecticut [Mr. Bingham]. Being advised that if present he would vote as I intend to vote, I am at liberty to vote. I vote "nay."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote, I am compelled to withhold my vote. If permitted to vote, I would vote "nay."

Mr. FRAZIER (when Mr. Nye's name was called). My colleague the junior Senator from North Dakota [Mr. Nye] is absent from the city. On this vote he is paired with the junior Senator from North Carolina [Mr. Bailey]. If the junior Senator from North Dakota were present, he would vote "yea," and I understand the junior Senator from North Carolina, if present, would vote "nay."

Mr. PITTMAN (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. Swanson], who is unavoidably absent. I am informed that if he were present he would vote "nay." If I were at liberty to vote, I would vote "yea."

Mr. GLASS (when Mr. Swanson's name was called). As already announced, my colleague the senior Senator from Virginia [Mr. Swanson] is absent in Europe on governmental business and is paired. If present, he would vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKellar], who is unavoidably detained. I transfer that pair to the junior Senator from New Hampshire [Mr. Keyes] and vote "nay." If the junior Senator from New Hampshire [Mr. Keyes] were present, he would vote "nay," and if the senior Senator from Tennessee were present he would vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. Smith], who is unavoidably detained from the city. I transfer that pair to the senior Senator from Colorado [Mr. Waterman] and vote "nay." I am informed that if the Senator from South Carolina [Mr. Smith] were present he would vote "yea," and that the Senator from Colorado [Mr. Waterman], if present, would vote "nay."

The roll call was concluded.

Mr. BANKHEAD (after having voted in the affirmative). I desire to change my vote from "yea" to "nay" for the purpose of moving a reconsideration.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long], who is unavoidably detained from the city. I find, however, that I can transfer that pair to the senior Senator from Connecticut [Mr. Bingham], who is also unavoidably detained from the Senate. I make that transfer and vote "nay." I am advised that if the junior Senator from Louisiana [Mr. Long] were present he would vote "yea," and that the senior Senator from Connecticut [Mr. Bingham], if present, would vote "nay."

Mr. HATFIELD. I transfer my pair with the senior Senator from North Carolina [Mr. Morrison] to the junior Senator from Iowa [Mr. Dickinson] and vote "nay."

Mr. SHEPPARD. I desire to announce that the senior Senator from Tennessee [Mr. McKellar], the junior Senator from Tennessee [Mr. Hull], and the junior Senator from South Dakota [Mr. Bulow] are absent from the city attending the funeral of the late Representative Eslick.

Mr. FESS. I desire to announce that the Senator from New Hampshire [Mr. Keyes] and the Senator from Iowa [Mr. Dickinson] are both unavoidably detained from the Senate. If present, they would each vote "nay."

Mr. THOMAS of Oklahoma (after having voted in the affirmative). Mr. President, I desire to take no chance, and I change my vote from "yea" to "nay," with the idea of entering a motion to reconsider if the opportunity shall present.

The result was announced—yeas 18, nays 62, as follows:

YEAS—18

Ashurst	Broussard	Neely	Shipstead
Black	Byrnes	Norbeck	Steiwer
Blaine	Caraway	Robinson, Ind.	Wheeler
Bratton	Frazier	Schall	
Brookhart	McGill	Sheppard	

NAYS—62

Austin	Dill	Johnson	Shortridge
Bankhead	Fess	Jones	Smoot
Barbour	Fletcher	Kean	Thomas, Idaho
Barkley	George	Kendrick	Thomas, Okla.
Borah	Glass	King	Townsend
Bulkley	Glenn	La Follette	Trammell
Capper	Goldsborough	Lewis	Tydings
Carey	Gore	Logan	Vandenberg
Cohen	Hale	McNary	Wagner
Connally	Harrison	Metcalf	Walcott
Coolidge	Hastings	Moses	Walsh, Mass.
Copeland	Hatfield	Norris	Walsh, Mont.
Costigan	Hawes	Oddie	Watson
Couzens	Hayden	Patterson	White
Dale	Hebert	Reed	
Davis	Howell	Robinson, Ark.	

NOT VOTING—16

Bailey	Dickinson	McKellar	Smith
Bingham	Hull	Morrison	Stephens
Bulow	Keyes	Nye	Swanson
Cutting	Long	Pittman	Waterman

So the bill failed of passage.

Mr. BANKHEAD and Mr. THOMAS of Oklahoma addressed the Chair.

The PRESIDENT pro tempore. The Senator from Alabama.

Mr. BANKHEAD. Mr. President, I have no purpose indefinitely to continue the consideration of this question in view of the tremendous majority that has been cast against the Patman bill. It is my desire, however, if the motion to reconsider shall be agreed to, after it shall have been entered, to present a proposal providing for the payment of the adjusted-service certificates upon a present-value basis with certain alterations in the method of calculation.

The certificates, reduced to their present value, according to the information furnished me by the Veterans' Administration, amount to \$768,445,396. There is now included in the appropriate appropriation bill \$100,000,000 to be applied to the sinking fund for the ultimate retirement of these certificates, which would leave, if the certificates were reduced to their present value, giving credit for the \$100,000,000 included in the appropriation bill, \$668,445,396.

The certificates now outstanding, if the attitude of this body continues as it is, will at the date of their maturity have a value of \$82 in the case of those upon which 50 per cent has been borrowed. The basis for the calculation upon which the face value of the certificates is computed was \$1 a day for those who served in this country and \$1.25 for those who had foreign service for the time they were abroad, plus 25 per cent, which is supposed to have been included because of the deferred payment. That has been worked into an insurance policy so as to include the original per diem allowance and the 25 per cent and interest compounded at 4 per cent per annum.

On the loans which have been made on all the certificates except about 900,000, something short of a million, the interest is fixed at 4½ per cent. So it is evident that with 4 per cent interest compounded annually the face of these

certificates is eaten up by the $4\frac{1}{2}$ per cent annually compounded.

I may add that in working out the present value the unearned portion of the 25 per cent is included in the estimate of the present value. As a matter of fact it has been seven years the 1st of last January since these certificates were issued. The unearned proportion is thirteen-twentieths of that additional 25 per cent. The allowance based upon the per diem amounted to \$400, and to that was added 25 per cent, which ran the amount of the principal at the beginning of the transaction on an average up to \$500.

In computing the present value the department uses only seven-twentieths of the 25 per cent, or the \$100 which was added to the \$400, and in making the computation upon that basis—and I have a letter from the Director of Veterans' Affairs giving the figures—the amount as stated, including the \$100,000,000 now appropriated, is \$668,445,396.

It seems to me, as a matter of absolute justice and fairness, that the full 25 per cent should be allowed, because it was a part of the principal in the beginning of this settlement. It was as much a part of the principal as the \$400 based upon a per diem; so that if a settlement is now made upon the present value of the certificates, I submit that the full 25 per cent should be added to the \$400 that was originally granted. If that is done, there is thirteen-twentieths of that \$400 still due; and, computing it upon the number of certificates outstanding—3,500,000 in round figures—that would add \$227,500,000 to the present value, making a total of \$895,000,000, not quite \$900,000,000, which would be necessary now, at the election of the holders of the certificates, to settle in full these bonus certificates.

I propose, if reconsideration is granted, to give the option to the holders of these certificates to settle on that basis, or to hold their certificates in the hope, if they entertain it, that some subsequent Congress may deal differently with this problem.

Mr. President, based upon the number of those who have borrowed one-half of their certificates, under this computation, by reducing the interest upon the loans on those certificates from $4\frac{1}{2}$ per cent to 2 per cent, the amount that they could now draw would be \$97, while under the present law if they should wait until 1945 they would draw only \$82, and in the meantime the cost to the Government would be much greater.

If we take this amount, then it will be necessary to appropriate annually for 15 years only \$75,000,000. We are reducing the annual appropriation for the sinking fund in the sum of \$25,000,000 a year. So those who think of this matter only from the standpoint of the Treasury of the United States should realize that in the long run the taxpayers and the Treasury will save a large sum of money if we adopt this plan rather than pursuing the present plan and appropriating from time to time a sufficient sinking fund to bring the amount up to \$2,400,000,000 in the next 13 years.

Mr. President, I am not concerned about the depreciation of the currency based upon this proposition, which, if all the holders see fit to settle their certificates, amounts to less than \$900,000,000. Every Senator upon this floor knows, if he has been reading the papers upon the subject, that there is to-day a larger amount than that absolutely withdrawn from circulation and hoarded.

This amount, if all of the soldiers accept it, will not replace in the channels of circulation and trade the amount that is now actually withdrawn, put into safe-deposit boxes, sent abroad, or otherwise disposed of. I propose to raise this money by having the Government issue 2 per cent bonds and deposit them as security with the Federal reserve banks, and then use the annual appropriation for the sinking fund to retire each year one-thirteenth of the bank notes that will be issued against those bonds.

How can anyone think that such a proposal would depreciate the value of the dollar, when all of the taxing resources of our great country are put behind it, when the Federal reserve system with adequate bonds of the United States is behind it, and when we will make an annual appropriation

retiring one-thirteenth of those bank notes every year? Then, too, as I stated, the appropriation that would be necessary to accomplish that purpose is \$25,000,000 a year less than would be required under the present plan.

It is perfectly evident that this body does not favor changing the present plan; but here is a proposal to give those who want to avail themselves of it the opportunity to receive the present value of their certificates and at the same time to save money for the Treasury each year and in the aggregate, because while we are now appropriating around \$100,000,000 a year it is perfectly apparent to everybody that that will not by 1945 amount to \$2,400,000,000, and we must begin to increase the appropriation for the sinking fund.

Mr. SMOOT. Mr. President, I desire to ask the Chair what is before the Senate at this particular time.

Mr. BANKHEAD. I am speaking.

The VICE PRESIDENT. The question is addressed to the Chair, not to the Senator from Alabama. Has the Senator entered his motion?

Mr. BANKHEAD. I have not.

The VICE PRESIDENT. Then there is nothing before the Senate.

Mr. SMOOT. Then, Mr. President, I object to—

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. The Senator from Utah has the floor.

Mr. BANKHEAD. I have the floor.

The VICE PRESIDENT. The Senator from Utah has the floor at present.

Mr. SMOOT. If there is nothing before the Senate—

Mr. BANKHEAD. I am going to put something before the Senate.

Mr. SMOOT. If the Senator will make his motion, all right.

The VICE PRESIDENT. Does the Senator from Alabama make a motion?

Mr. BANKHEAD. I will make the motion if the Presiding Officer holds that I can not speak without making it.

The VICE PRESIDENT. The Senator can not speak without a motion being made. There is nothing before the Senate.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. BORAH. I desire to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BORAH. I am just as anxious to dispose of this matter as anyone; but do I understand that the rule has been established here that because there is nothing actually pending before the Senate a Senator may not speak?

The VICE PRESIDENT. Not if objection is made.

Mr. BORAH. What is the rule that enables the Chair to take a Senator off the floor simply because there is no particular measure pending before the Senate?

The VICE PRESIDENT. If there is nothing pending, there is nothing on which to speak.

Mr. BORAH. I beg the Chair's pardon; there is no rule that I know of which permits any such proceeding.

The VICE PRESIDENT. The Chair has ruled. The Senator from Alabama can make his motion if he desires.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HARRISON. I understood that the Senator from Alabama rose to make a motion to reconsider the vote by which this bill was defeated.

Mr. SMOOT. But the Senator says he has not made it.

The VICE PRESIDENT. The Senator from Mississippi has the floor.

Mr. HARRISON. The inquiry is, Did the Senator make the motion?

The VICE PRESIDENT. The motion has not been made.

Mr. BANKHEAD. I am explaining what I am leading up to.

Mr. ROBINSON of Arkansas. Mr. President, I call for the regular order; and I move that the Senate proceed to

the consideration of H. R. 12445, being the bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and so forth.

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. THOMAS of Oklahoma. I rise to enter a motion to reconsider the vote by which the bonus bill just failed of passage.

The VICE PRESIDENT. That motion will be entered.

Mr. DILL. Mr. President, a parliamentary inquiry.

Mr. THOMAS of Oklahoma. I enter the motion, which means that I give notice that at some future date the motion will be called up.

Mr. ROBINSON of Arkansas. I make the point of order that there is a motion pending before the Senate.

The VICE PRESIDENT. There is one motion pending, and that takes precedence.

Mr. DILL. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Oklahoma has a right to enter the motion; but the motion can not be proceeded with, because there is already a motion pending.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Is the notice just given of entrance of a motion at this time acknowledged by the Chair?

The VICE PRESIDENT. Certainly.

Mr. ROBINSON of Arkansas. Mr. President, I will state that if either the Senator from Oklahoma or the Senator from Alabama wishes now to make a motion to reconsider the vote by which the so-called bonus bill was defeated, I shall withdraw my motion in the interest of the present consideration of the motion to reconsider; but, as everyone understands, entry of a motion or notice of a motion is not a motion itself. The Chair was entirely correct, in my judgment, when he held that the announcement by the Senator from Alabama of his purpose to make a motion to reconsider did not bring the question before the Senate.

Mr. BANKHEAD. I will make the motion to reconsider.

The VICE PRESIDENT. Does the Senator yield for that purpose?

Mr. ROBINSON of Arkansas. I yield for that purpose.

The VICE PRESIDENT. The Senator from Alabama makes a motion—

Mr. ROBINSON of Arkansas. Mr. President, I yield to the Senator from Alabama if he desires now to make the motion to reconsider. If he merely wishes to make a speech, I shall insist upon the motion I have made.

Mr. BANKHEAD. Mr. President, I stated in the beginning that I had no purpose to delay the final disposition of the bill; but I did hope that I would have a reasonable opportunity to explain what I was going to offer in the event the Senate agreed to reconsider.

Mr. REED. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield to the Senator from Pennsylvania.

Mr. REED. I move to reconsider the vote by which the bonus bill was just defeated.

Mr. THOMAS of Oklahoma. Mr. President, a point of order.

The VICE PRESIDENT. What is the point of order?

Mr. THOMAS of Oklahoma. The point of order is that I myself have given notice that at some future time I would move to reconsider the vote; and that that notice having been received, a motion to reconsider at this time is out of order.

The VICE PRESIDENT. The giving of a notice is not a motion; and under the rule the motion can be made at any time within two days. The Chair holds that the motion of the Senator from Pennsylvania is in order.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. SMOOT. I move, then, to lay the motion of the Senator on the table.

Mr. ASHURST. O Mr. President, do not do that. Let us vote on it now.

Mr. ROBINSON of Arkansas. Mr. President, I shall insist on my motion. If a vote can be had on the motion of the Senator from Pennsylvania to reconsider the vote, I shall not object; but if it merely means that debate is to proceed, I shall insist on the motion that I have made.

Mr. MOSES. Mr. President, if the Senator from Arkansas will yield, I will free him from any such necessity. I move to lay the motion to reconsider on the table.

Mr. BLAINE. Mr. President—

The VICE PRESIDENT. That motion is not debatable.

Mr. BLAINE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Hebert	Robinson, Ind.
Austin	Costigan	Johnson	Schall
Bankhead	Couzens	Jones	Sheppard
Barbour	Dale	Kean	Shortridge
Barkley	Davis	King	Smoot
Black	Dill	La Follette	Thomas, Idaho
Blaine	Fess	Logan	Thomas, Okla.
Borah	Frazier	McGill	Townsend
Bratton	George	McNary	Trammell
Brookhart	Glass	Metcalf	Tydings
Bulkley	Glenn	Moses	Vandenberg
Byrnes	Goldsborough	Norbeck	Wagner
Capper	Hale	Norris	Walcott
Caraway	Harrison	Oddie	Walsh, Mass.
Carey	Hastings	Patterson	Walsh, Mont.
Cohen	Hatfield	Pittman	Watson
Connally	Hawes	Reed	Wheeler
Coolidge	Hayden	Robinson, Ark.	White

The VICE PRESIDENT. Seventy-two Senators having answered to their names, there is a quorum present.

The question is on the motion of the Senator from New Hampshire [Mr. MOSES] to lay the motion of the Senator from Pennsylvania [Mr. REED] on the table.

Several Senators demanded the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). Making the same announcement as on the previous vote with regard to the pair of the junior Senator from New Mexico [Mr. CUTTING] with the junior Senator from Mississippi [Mr. STEPHENS], I wish to announce that if the junior Senator from New Mexico were present he would vote "nay."

Mr. GLENN (when his name was called). I transfer my general pair with the junior Senator from Louisiana [Mr. LONG] to the senior Senator from Connecticut [Mr. BINGHAM] and vote "yea."

Mr. HATFIELD (when his name was called). Repeating my previous announcement respecting my pair and its transfer, I vote "yea."

Mr. PITTMAN (when his name was called). Reannouncing my pair with the senior Senator from Virginia [Mr. SWANSON], I desire to state that I do not know how that Senator would vote on this matter if he were present. If I were at liberty to vote, I would vote "nay."

Mr. TOWNSEND (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

The roll call was concluded.

Mr. TRAMMELL. I desire to announce the absence of my colleague [Mr. FLETCHER], who has a pair for the remainder of the evening with the senior Senator from Minnesota [Mr. SHIPSTEAD].

Mr. GLASS (after having voted in the affirmative). I have a pair with the senior Senator from Connecticut [Mr. BINGHAM], and, being advised that he would vote as I have voted, I will let my vote stand.

Mr. FRAZIER. My colleague [Mr. NYE] is paired with the junior Senator from North Carolina [Mr. BAILEY]. If present, my colleague would vote "nay."

Mr. FESS. I desire to announce that the Senator from New Hampshire [Mr. KEYES], the Senator from Colorado [Mr. WATERMAN], and the Senator from Connecticut [Mr. BINGHAM] are necessarily detained from the Senate. If they were present, all these Senators would vote "yea."

Mr. SHEPPARD. I desire to announce that the junior Senator from Tennessee [Mr. HULL] is unavoidably detained from the Senate attending the funeral of the late Representative Eslick. He has a pair with the junior Senator from South Dakota [Mr. BULOW].

The result was announced—yeas 44, nays 26, as follows:

YEAS—44

Austin	Fess	Hebert	Smoot
Barbour	George	Jones	Thomas, Idaho
Bulkeley	Glass	Kean	Townsend
Capper	Glenn	King	Tydings
Carey	Goldsborough	McNary	Vandenberg
Cohen	Hale	Metcalf	Wagner
Coolidge	Harrison	Moses	Walcott
Copeland	Hastings	Oddie	Walsh, Mass.
Dale	Hatfield	Patterson	Walsh, Mont.
Davis	Hawes	Robinson, Ark.	Watson
Dill	Hayden	Shortridge	White

NAYS—26

Ashurst	Byrnes	La Follette	Schall
Bankhead	Caraway	Logan	Sheppard
Barkley	Connally	McGill	Thomas, Okla.
Black	Costigan	Norbeck	Trammell
Blaine	Couzens	Norris	Wheeler
Bratton	Frazier	Reed	
Brookhart	Johnson	Robinson, Ind.	

NOT VOTING—26

Bailey	Fletcher	Long	Smith
Bingham	Gore	McKellar	Stelwer
Borah	Howell	Morrison	Stephens
Broussard	Hull	Neely	Swanson
Bulow	Kendrick	Nye	Waterman
Cutting	Keyes	Pittman	
Dickinson	Lewis	Shipstead	

So the motion to reconsider was laid on the table.

Mr. TRAMMELL. Mr. President, I desire to take only a moment or two of the time of the Senate. I had wanted an opportunity to express myself briefly in regard to the so-called bonus bill prior to the taking of the vote, but there was such restlessness, and such a demand on the part of a great many Senators to vote, that I did not feel like imposing myself on the Senate at a time when there was such a demand for a vote on the bill that the Senate was really in a state of disorder.

I am sincerely in favor of a cash bonus being paid to the ex-service men on their compensation certificates. I believe, in justice, under the present circumstances an equitable and just payment should be paid to them. But as to the plan which should be adopted, that is a matter of detail, and, of course, the details are of great importance. I was not impressed favorably with the plan that was carried in the bill under consideration, although I am strongly for allowing a cash settlement.

To the surprise of almost everyone and unfortunately, no one was allowed to offer any amendment after 2 or 3 o'clock this afternoon, with a view to trying to perfect the bill according to the idea of a number who were the real friends of the idea of a cash bonus. Several who are in favor of a cash settlement, among them myself, but who thought a better plan for this purpose could be adopted by amending the bill were unduly shut off from offering amendments. We were left with only two courses to follow; that is, to vote for the bill with its objectionable features or else vote against it.

Therefore we had confronting us only the proposition of the bill as it came from the House, with no opportunity whatever to offer amendments. A number of us who favor a cash bonus also had confronting us the fact that it was well known by everyone in this Senate that the bill in the form that it came from the House was going to be defeated by an overwhelming majority. It was under these circumstances that I voted against the bill. I knew a motion to reconsider was going to be made and that it was the inten-

tion to endeavor then to make some amendments that would be satisfactory to all who wanted to allow a cash settlement on the certificates. I hope the motion to reconsider will prevail and then there could be an opportunity to perfect the bill and obtain at least a reasonable allowance in the nature of cash compensation for the veterans.

The drastic tactics that have been adopted, however, following the motion to reconsider, in the nature of a motion to lay that motion on the table, precluded any opportunity for further consideration of the question. I very much regret that that course has been pursued, but a majority seem to agree with it. I am disappointed that by such unusual tactics, and I believe unwarranted facts, we are under the rules now precluded from trying yet to amend the bill so as to provide for a cash settlement.

LOANS TO STATES—SYSTEM OF HIGHWAYS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of House bill 12445, to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments.

CONFIRMATION OF VIRGINIA POSTMASTERS

Mr. GLASS. Mr. President, I ask unanimous consent, as in executive session, for the confirmation of five postmasters in Virginia to whom there are no objection.

The VICE PRESIDENT. Let the nominations be reported for the information of the Senate.

The Chief Clerk read the nominations of Charles G. Thomas to be postmaster at Fork Union, of Frank G. Jones to be postmaster at Montvale, of Arthur B. Parker to be postmaster at Onancock, of Amos L. Cannaday to be postmaster at Pulaski, and of Herbert C. Bolton to be postmaster at St. Paul, all in the State of Virginia.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed.

RELIEF FROM GRASSHOPPER INVASION

Mr. NORBECK. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram from the governor of my State regarding the grasshopper situation and other telegrams bearing on the same subject.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegrams are as follows:

PIERRE, S. DAK., June 15, 1932.

HON. PETER NORBECK,

Senate Chamber, Washington:

Although grasshoppers are not yet eating our grain they are here; and should weather become favorable for their development, serious damage to crops would result. It would be advisable to use your best efforts to secure appropriation for grasshopper relief.

WARREN GREEN, Governor.

EUREKA, S. DAK., June 15, 1932.

HON. PETER NORBECK,

Washington:

Examined grain fields this morning. Inquired of farmers. Grasshopper danger rapidly increasing. Help badly needed.

THEO. GIERT.

MINNEAPOLIS, MINN., June 16, 1932.

HON. PETER NORBECK,

United States Senator:

Representing 2,000 retail hardware merchants, we urge you to work for financial aid to fight grasshoppers in the Northwest. MINNESOTA AND SOUTH DAKOTA RETAIL HARDWARE ASSOCIATIONS.

WATERTOWN, S. DAK., June 17, 1932.

HON. PETER NORBECK,

United States Senate:

Wish I might be able to take you through fields in this State so you could see grasshopper conditions; so you could see them as we do. Crops generally look good at this time of year; but when it gets dry in July and August, vegetation dries up. The hoppers will take the crops. We hate to think of the outcome. Please put all possible energy behind appropriation for poison bait.

We can not get help from State or county. You are the one man in Washington we look to for help. It is not too late if we get immediate action.

L. S. SPENCER,
President Watertown Chamber of Commerce.

MINNEAPOLIS, MINN., June 16, 1932.

Senator PETER NORBECK,

United States Senate, Washington:

Supplementing telegram 14th sent Secretary Hyde, Speaker Garner, and Congressman Andresen, we have further investigated grasshopper situation. Can report that Minnesota can and will take care of situation in Minnesota without Federal aid. We are equally certain that funds are needed immediately for North and South Dakota and Montana. Even a week's delay would probably necessitate much larger amount. If \$500,000 could be immediately available for these three States, we believe situation can be satisfactorily handled. Legal situation in these States makes immediate appropriations impossible, and financial condition of counties involved is such that funds could not be raised for immediate use anyway. Arrangements will be made to advance money if we can have Government's assurance that we will be reimbursed. Please address E. W. Decker, Northwestern National Bank, Minneapolis.

A. R. Rogers, chairman Minneapolis industrial committee; B. B. Sheffield, president Minneapolis Civic and Commerce Association; L. E. Wakefield, president First National Bank; E. L. Carpenter, president Shevlin Carpenter & Clarke Co.; E. W. Decker, president Northwestern National Bank; W. A. Durst, president Minnesota Loan & Trust Co.; F. T. Heffelfinger, president F. H. Peavey & Co.; Geo. D. Dayton, president the Dayton Co.; C. T. Jaffray, president Soo Line Railroad; Thos. J. Wallace, president Farmers & Mechanics Savings Bank; Carl W. Jones, publisher the Minneapolis Journal; F. E. Murphy, publisher the Minneapolis Tribune; John Thompson, publisher the Minneapolis Star; J. H. Macmillan, president Cargill Elevator Co.

MARTIN, S. DAK., June 10, 1932.

PETER NORBECK:

Grasshopper condition becoming serious. Urge Government relief immediately for protection of Federal seed securities. Destitution among our farmers this winter. Condition serious.

BERNARD W. PENNY,
Chairman Bennett County Seed Loan Committee.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably several nominations of postmasters.

Mr. JOHNSON, from the Committee on Commerce, reported favorably the nomination of Lieut. Commander Carl H. Abel, to be a commander in the Coast Guard, from January 1, 1932; and also the nominations of sundry other officers in the Coast Guard of the United States.

Mr. REED, from the Committee on Military Affairs, reported favorably the nomination of Col. Robert Swepton Abernethy, Coast Artillery Corps, to be a brigadier general, from October 1, 1932, vice Brig. Gen. William S. McNair, to be retired from active service September 30, 1932.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

EMPLOYMENT OF PAGES DURING JULY

Mr. ASHURST submitted the following resolution (S. Res. 240), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms hereby is authorized and directed to employ 21 pages for the Senate Chamber, to be paid out of the appropriation for expenses of inquiries and investigations, contingent fund of the Senate, fiscal year 1931, at the rate of \$4 each per day throughout July, 1932.

HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H. R. 8681. An act to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship; to the Committee on Commerce.

H. J. Res. 418. Joint resolution authorizing the distribution of Government-owned wheat and cotton to the American

National Red Cross and other organizations for relief of distress; to the calendar.

H. J. Res. 435. Joint resolution to amend the revenue act of 1932; to the Committee on Finance.

RECESS

Mr. McNARY. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 9 o'clock and 5 minutes p. m.) took a recess until to-morrow, Saturday, June 18, 1932, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 17 (legislative day of June 15), 1932

POSTMASTERS

VIRGINIA

Charles G. Thomas, Fort Union.

Frank G. Jones, Montvale.

Arthur B. Parker, Onancock.

Amos L. Cannaday, Pulaski.

Herbert C. Bolton, St. Paul.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 17, 1932

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore [Mr. RAINEY].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Come with us, Blessed Father. Always enable us to stand before all men's eyes as men with a message, men with a spirit, men who have found courage, strength, and understanding sufficient to serve wisely and encouragingly the welfare of the Republic. Help us to rise to our highest manhood and covet our opportunity. Preserve those human flowers for our pathways, namely, friendship, comradeship, trust, and harmony; these shed a fragrance that we ought not to miss. As our duties are urgent, vital, and imperative, Blessed Lord, ignore our weakness, give zest to our knowledge, and strengthen us to do all good things. May we be endowed with a courageous persistence to work for the good of all the people all the time. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11452. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1933, and for other purposes.

BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. GILBERT. Mr. Speaker, I ask unanimous consent to call for immediate consideration House Joint Resolution 408, filling certain vacancies on the Board of Regents of the Smithsonian Institution.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 408

Resolved, etc., That the vacancies in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which now exist, be filled by the appointment of R. Walton Moore, of Virginia; Robert W. Bingham, of Kentucky; and Augustus P. Loring, of Massachusetts.

Mr. STAFFORD. Mr. Speaker, I would like to inquire of the gentleman from Kentucky if the Board of Regents are supposed to be filled by Members of the House of Representatives?

Mr. GILBERT. These are authorized to be filled from the civilian list.